

# The NATIONAL UNDERWRITER

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*Introducing*



**A NEW SYMBOL**  
*of Progressive Leadership*

The eagle and wheel of American Auto and the mounted knight of Associated are destined to disappear from the stationery, policy forms and general literature of our Companies as new supplies are printed.

With the celebration of this our thirty-fifth anniversary we have adopted a new emblem for the American-Associated Insurance Companies, a four letter monogram of modern design with the enduring distinction of simplicity.



Henceforth, this single trade-mark, appearing sometimes in this fashion, with the name lettering in the border, will be used by all four of the American-Associated Companies. In the years to come this emblem will always be a symbol of dependable, protective services of unexcelled standards in the multiple line fire and casualty field.

1912  
THIRTY-FIFTH  
ANNIVERSARY  
1947

## AMERICAN - ASSOCIATED INSURANCE COMPANIES

AMERICAN AUTOMOBILE  
INSURANCE COMPANY  
AMERICAN AUTOMOBILE  
FIRE INSURANCE COMPANY  
SAINT LOUIS

ASSOCIATED INDEMNITY  
CORPORATION  
ASSOCIATED FIRE & MARINE  
INSURANCE COMPANY  
SAN FRANCISCO

THURSDAY, JANUARY 2, 1947



THE  
PINE TREE  
STATE

Maine

1820

Maine, synonymous with vacationing, is proudly industrious. Champlain, seeking Norumbega, fabulous silver and crystal city, found instead the site of Bangor which became the world's largest lumber-shipping port. In addition to its huge lumber, wood pulp and paper industries, the state is noted for its woolen and cotton mills, its granite and slate; it ranks first in the production of feldspar, while ship-building has been carried on for over three hundred years. Whittier's "O hundred-harbored Maine!" stressed the beauty of its coastline of approximately 3,000 miles from whose cold waters is derived the state's oldest industry, fishing. Half the state's valuable fishing revenue comes from its home-made lobster pots, but in recent years the income from sardines has increased rapidly. Portland, the birthplace of Henry W. Longfellow, Bar Harbor, Rangeley and Moosehead Lakes, Acadia National Park, Mt. Katahdin and Aroostook potatoes are among the assets of a great state with a great insurance future.



## CRUM & FORSTER

MANAGERS



110 WILLIAM STREET • NEW YORK, N. Y.

UNITED STATES FIRE INSURANCE CO. ....	Organized 1824	RICHMOND INSURANCE CO. ....	Organized 1836
THE NORTH RIVER INSURANCE CO. ....	Organized 1822	WESTERN ASSURANCE CO., U. S. Branch	Incorporated 1851
WESTCHESTER FIRE INSURANCE CO. ....	Organized 1837	BRITISH AMERICA ASSURANCE CO., U. S. Branch	Incorporated 1833
THE ALLEMANIA FIRE INSURANCE CO. of Pittsburgh	Organized 1868	SOUTHERN FIRE INSURANCE CO., Durham, N. C.	Incorporated 1923

WESTERN DEPT. FREEPORT, ILL. • PACIFIC DEPT. SAN FRANCISCO • SOUTHERN DEPT. ATLANTA • ALLEGHENY DEPT. PITTSBURGH • CAROLINAS DEPT. DURHAM, N. C.



## Second Minneapolis Grain Elevator Fire to Cost \$1,750,000

**Two Fires in Nine Days  
Bring Worst Year in  
History to Grain Assn.**

A second fire within nine days at Minneapolis destroyed the one block square "C" elevator of the Brooks Elevator Corp. on Dec. 28, causing an insurance loss estimated at \$1,750,000.

The fire was similar to that at the Union Elevator Dec. 19, where the loss is estimated at \$2½ million. The Grain Association had both losses and 1946 now becomes the worst year in the organization's history.

The Brooks elevator contained about a million bushels of rye, corn and barley. The grain was insured through Marsh & McLennan for \$1,446,000 and is expected to be a 90% loss. Building, machinery and U. & O. were insured through Charles W. Sexton Co., Minneapolis. There was \$296,000 on the building and \$250,000 U. & O. The building loss will be about \$250,000 and U. & O. is expected to be total.

Preliminary investigations as to the causes of both the Union and Brooks elevator fires seem to indicate that both were caused by a "choked leg." This occurs when foreign matter, such as a stick, gets into the grain and catches the leg, or endless belt, stopping it while the pulleys continue to revolve. Friction causes the belt to catch fire and it falls in the grain. In the Brooks fire, workers on the job attribute the disaster to a choked leg, which, when it fell also raised a lot of dust which exploded and blew off the roof, causing a strong draft.

### Salvage Is Unknown

Salvage in neither fire has been determined, but little is expected from the first. There will be more in the Brooks loss, but the feed market is on a decline and it is pointed out that dumping two or three million bushels on a falling market cannot be expected to bring a good price.

The Union elevator was a sprinklered risk. However, the sprinklers were old and had a poor water supply, and there was a poor distribution of heads. Although the sprinklers worked, they were hardly effective. The Brooks elevator was not sprinklered.

The Froedtert Grain & Malting Co., owners of the Union elevator have announced that it will be rebuilt. The loss on that property is estimated at \$400,000 on building and equipment; \$1,950,000 on grain; \$10,000 on grain in adjoining concrete tanks; and \$200,000 U. & O. The Brooks Co. was doing salvage work on the Union elevator, but since the grain was not to have been processed, salvage work will continue and the grain will be sold immediately.

The second fire brings the Minneapolis losses for 1946 to about \$6 million. The city's record was set Dec. 19 with the Union elevator fire, which had doubled the previous high.

Both losses are being adjusted jointly by Western Adjustment and Underwriters Adjusting. Fred S. King of the latter company had just moved to Chicago to assume executive duties, after having been Minneapolis manager. He has

## Three Crash Losses Are Blow to Plane Insurers

NEW YORK—Aviation insurers have been hit by three recent crash losses, two of them being last weekend and the other Dec. 20. The TWA Constellation plane "Star of Cairo," which crashed as it was approaching Shannon airport in Ireland on its way from Paris to New York, was insured for hull damage in Aero Insurance Underwriters. Liability coverage was carried in Associated Aviation Underwriters, but on an excess basis, so the loss may not be very severe, in view of the limitations on recovery imposed by the treaty of Warsaw, which applies in this case. Workmen's compensation on the killed and injured crew members was also in Associated. The plane, which was a total loss, is worth about \$750,000.

The other most recent crash, involving a Douglas DC-3 which killed two crew members and injured 19 passengers near Michigan City, Ind., was insured by Associated for liability and workmen's compensation. The operators, American Airlines, do not insure the crash hazard. United Air Lines is the only other American line which does not insure against crash.

### Western Airlines Crash

The Dec. 20 crash of a Western Airlines plane killed the crew of three and nine passengers. Hull, liability, and compensation were insured in U. S. Aviation Underwriters.

While these three crashes coming so close together give a bad cast to the domestic commercial airline picture, there is no likelihood that by themselves they will bring about an increase in rates, even though the rates, particu-

larly for hull are regarded by the underwriters as decidedly too low. One executive estimated that hull rates should be raised at least 25% but doubted that anything would be done very soon about it. A good deal depends on what the reinsurers at Lloyds do. There, however, competition between underwriters' syndicates tends to keep the rates beaten down.

A big difficulty with the big, new transport planes is that any damage that is sufficient to keep them from being flown to the factory is likely to mean a total loss. The DC-3s can be fixed anywhere but the big planes are so large and require so much special machinery that is available nowhere but at the factory that if it can't be flown there the plane often has to be regarded as a total loss except for salvage.

## A. W. Barthelmes, Marine Leader, Joins North America

PHILADELPHIA—A. Wesley Barthelmes, secretary in charge of the

inland marine and special lines department of North British, has resigned to go with North America. He has been active in the Inland Marine Underwriters Assn. and is president of Rain Insurance Assn.

Mr. Barthelmes started in the ocean and inland marine agency business in Boston. In 1926 he became manager of the home office inland marine department of the America Fore group. He was marine secretary of National Union 1936-40. He is a lecturer and writer on inland marine insurance and is active in the Blue Goose, being custodian of the New York City pond. He is chairman of the I.M.U.A. motor cargo committee.



A. W. Barthelmes

## Jarvis "Agency Bulletin" Ad Chief

Ronald Jarvis, Jr., former marine corps captain and public relations officer, has been named to succeed William E. Neumeyer as advertising manager of the "American Agency Bulletin."

He spent 33 months in the Pacific, finally becoming commanding officer of marines aboard the cruiser San Francisco. While in Hawaii, Mr. Jarvis directed marine public relations activity in the fourteenth naval district and was associated with "Leatherneck," official magazine of the marine corps.

Following the occupation of Japan and Korea, Mr. Jarvis returned to the United States to take command of the marine detachment aboard the Missouri. He resigned in October to enter the advertising field.

Before joining the service, Mr. Jarvis had had much experience in news and advertising. He was with the New York "World-Telegram" and the Nassau "Daily Review-Star," and has been a writer of short stories. He is a graduate of Rutgers University, where he attended the school of journalism and is a Phi Beta Kappa.

## Anti-Trust Victory Consolation Prize in Mo. Decision

**Vindication on Big Issue  
Helps Soften Blow of  
\$2 Million Fine**

Although the daily papers naturally featured the \$2,090,000 fine that was imposed Monday by the Missouri supreme court on the fire companies, most of them ignored the big consolation prize in the decision for the insurers. That was the supreme court's overruling of the contention that the companies had been violating the state anti-trust laws. Inasmuch as probably 90% of the testimony and arguments in the case revolved about the anti-trust issue, the insurance victory on this head is extremely important even though the \$2 million fine on the bribery issue is a bitter pill and creates ugly publicity on the eve of highly important insurance legislative decisions.

The fines imposed on the individual companies ranged from \$10,000 to \$132,000. The fine was equivalent to 25% of the amount of premiums impounded in the 16½% rate increase that was collected under injunction from 1930 until the case was ended by compromise in 1935 under arrangements later revealed to have been scandalous between the late C. R. "One Man Committee" Street, the late T. J. Pendergast, then Kansas City political boss, and R. E. O'Malley, Pendergast puppet insurance commissioner. On this basis Home drew the largest fine. The minimum fine was \$10,000. The fines were four times the contribution to the Street-Pendergast fund.

The fines must be paid within 60 days and the proceeds will go to the Missouri state treasury.

### History of the Case

This case was an original action in 1939 of Roy McKittrick, then attorney general, in the state supreme court asking for the ouster or fining of the companies for alleged complicity in the bribery that brought about the compromise settlement of the Missouri fire insurance rate case in 1935. It was generally believed that he felt that this would be a springboard for his U. S. Senatorial campaign, in which, incidentally he was defeated.

After he commenced taking testimony on the bribery issue, apparently he realized that he would be unable to elicit any more evidence than the federal authorities and courts had been able to develop to prove that the rate case settlement was anything more than the product of one man's megalomania, senility and cancer.

Hence McKittrick proceeded to amend his petition to charge the companies through the Missouri Inspection Bureau, Missouri Audit Bureau, National Board, Western Actuarial Bureau, Insurance Executives Assn., Factory Assn., Grain Assn., Oil Assn., etc., with violating the state anti-trust laws. McKittrick's investigators spent days and weeks searching through the records and files of these organizations in an endeavor to fortify the anti-trust charges.

Hearings commenced before a master, John H. Windsor, at Chicago, eastern cities, St. Louis and Kansas City. There was a parade of witnesses from the vari-

(CONTINUED ON PAGE 24)

## T. Leaming Smith Retires as North America V.-P.

PHILADELPHIA—T. Leaming Smith, vice-president of North America, has retired at his own request after 38 years of service. Directors have accepted Mr. Smith's resignation "with deepest regret."

As a tribute to Mr. Smith, executive officers gave him a testimonial dinner at the Racquet Club. President John A. Diemand on behalf of the companies presented him with an appropriate gift. Present at the dinner in addition to senior officers were Henry H. Reed, general manager, and Henry C. Thorn, marine manager, at New York, and Thomas R. Young of Boston.

Mr. Smith has spent his entire business career with North America. He entered its service in 1908, as a clerk, soon after graduation from Princeton. He became marine secretary in 1917, and in 1929, was elected vice-president. Later, he became vice-president of Indemnity of North America, Philadelphia Fire & Marine and Alliance.

## Knoxville Exchange Fights County Self-Insurance

KNOXVILLE, TENN.—The Knoxville Insurance Exchange will carry its fight to Knox county court, which meets Jan. 6, to prevent the carrying out of a proposal for a self-insurance fund for all county property. A resolution, drawn up by the exchange and describing the self-insurance proposal as "false economy," will be presented to the court by County Judge Elmore. The court has earmarked \$50,000 in the budget for insurance and will add \$10,000 a year to this fund.

In support of the insurance exchange, the Knoxville "Journal" said editorially that the county court is making a serious mistake in dropping insurance on county property and setting up its own self-insurance plan. It points out that as soon as a sizable insurance fund is built up, the county court is likely to dip into it for operating expenses.

Insurance schedules on more than \$2,000,000 of city property, worked out by a special insurance committee of the Knoxville Exchange, will be up for action by the city council early in January.

## Plan for '49 Grand Nest

A regional meeting of four northwest Blue Goose ponds, Seattle, Oregon, Washington and British Columbia, will be called some time in the next few months, according to Harold B. Larson of Seeley & Co., Portland, deputy most loyal grand gander, to develop plans for the grand nest meeting which will be held in Seattle in 1949 when E. W. Trenbath, Norwich Union group, will become most loyal grand grander. The conference may be held at the time of the semi-annual meeting of the Seattle pond.

The Seattle pond held its Christmas party Dec. 27. The ladies' auxiliary is planning a basket dinner and dance Jan. 18.

## Beling Hoboken Speaker

JERSEY CITY—The Hudson County Assn. of Insurance Agents will hold its first meeting of 1947 Feb. 13 in Hoboken. Oscar Beling, authority on agency systems, will speak.

## N. J. Square Club Meeting

NEWARK—The insurance Square Club of New Jersey at a meeting here Jan. 13 will take up plans for the annual dance and entertainment in February.

## Kirkpatrick Retires; Partner Carries On

Paul Kirkpatrick of the Kirkpatrick-Thompson agency, Dallas, retired Wednesday and with Mrs. Kirkpatrick will spend several months sightseeing in the United States. He will attend the April meeting of the National Assn. of Insurance Agents at Oklahoma City. He is past president Dallas association and for 30 years has been active in the Texas and National association.

He started in insurance at San Antonio in 1912 as a member of the firm of Coleman & Kirkpatrick, and in 1914 started the Paul Kirkpatrick agency



PAUL KIRKPATRICK

at Dallas. Following the other war, R. W. Thompson joined the firm and in 1920 the name was changed to Kirkpatrick-Thompson Co. Mr. Kirkpatrick has been active in civic and religious work and his wife in entertaining women visitors to the many insurance conventions in Dallas.

R. W. Thompson announced the firm name will not be changed and his son, Cullum, a junior partner since Jan. 1, 1946, will be his partner. The senior Thompson is past president Dallas and Texas associations and was first president of the National Assn. of Surety Bond Producers. He has been in the insurance business since 1909 when he joined Southwestern Surety of Denison, Tex. Later he became a general agent for that company in Oklahoma.

Cullum was graduated from the business school of the University of Pennsylvania, then was in the New York office of Home and later with Standard Accident in Detroit.

## \$1,000 Per Room Brings PPF Cover Up to Values

NEW YORK—The New York office of one company that writes a considerable amount of personal property floater business uses a rule of thumb in getting insurance to value in this contract. It requires at least \$1,000 per room. If the person lives in a good neighborhood, the minimum is hiked to \$2,000, \$3,000 or higher.

As a consequence, 1946 experience of the company in the New York area is satisfactory if not overly profitable. The problem of this and other offices has been to get a reasonable premium in comparison with the risk undertaken, and to do it consistently. There is, of course, an underwriting rule that insurance shall be to value, but usually it is interpreted variously at various times and is consequently not applied with the same force all the time.

E. L. Schuetz and C. L. Otto have opened a new agency, Schuetz & Otto Co., at Lincoln, Neb. Both are experienced insurance men. Mr. Schuetz served in the navy and Mr. Otto with the army air force.

## Recovers Under Wind Policy for N. J. 1944 Loss

On the great issue of tidal wave vs. windstorm arising out of the hurricane that attacked the Jersey coast Sept. 14, 1944, the Pennsylvania superior court, Philadelphia district, in Marks vs. Lumbermen's, affirmed the decision of the court of common pleas that it could have been the wind that did it and the tidal wave exclusion is not applicable.

Marks had a two story frame dwelling at Beach Haven Park, Long Beach Island, N. J. The court held it was up to Marks to show that wind was the proximate cause of his loss in order for him to recover, although water may have remotely or incidentally contributed to the loss. Wind need not be the sole cause.

The property was about 150 ft. from high tide mark. The maximum wind velocity in the hurricane was 91 miles per hour. There were no eyewitnesses to the damage done to Marks property, but witnesses who saw the house the next morning testified it had been moved off its foundation about 4½ feet with much accompanying damage. The house seemed to be in a diamond shape in a sort of twist.

Marks testified that on the day after the blow, he saw many houses in the neighborhood damaged and off their foundations, and that this was true in the middle of the island as well as on the beach front. The builder who repaired the house testified that the next morning the wreckage was "terrible."

The evidence of Lumbermen's tended to show that the damage was caused by high water during the hurricane, but according to the superior court, that was for the triers of fact.

## Rejects Insurer's Objections

Lumbermen's objected to the admission of testimony relative to damage to other buildings. The superior court said that this was clearly admissible to establish the fact that the island was swept by a hurricane. Lumbermen's also objected to the refusal on the part of the lower court to allow a witness to testify relative to the effect of high winds on buildings at Miami during the 1926 hurricane there.

The superior court stated that the rejection of such testimony was within the discretion of the trial judge and the record indicates no abuse of that discretion.

Also Lumbermen's objected to the lower court sustaining Marks' objection to a hypothetical question addressed by Lumbermen's to an expert witness as to whether a wind of 91 miles an hour could blow from its foundation, a house of the Marks' type.

The superior court stated that an opinion whether a hurricane would or would not do anything certain would be pure guesswork. There are variants, as the witness admitted, and his opinion would have been valueless to the jury.

The attorney for Marks was C. L. Cushman, Jr., White & Williams of Philadelphia, while Lumbermen's was represented by Morton P. Rome, Stanley Folz, Sundheim, Folz, Kamsler & Goodis, Philadelphia.

## Join in Cal. Agreement

Republic Indemnity of Arizona and Founders F. & M. of Los Angeles have signed up to operate under the California motor vehicle insurance agreement, which is designed primarily to prevent the writing of fictitious fleets in the state.

## South Bend-Mishawaka Election

The South Bend-Mishawaka (Ind.) Assn. of Insurance Agents has elected Raymond H. Kenaday, South Bend, president, succeeding Clifford A. Fletcher; Sebastian T. Berner, Mishawaka, vice-president; Paul M. LaMar, Mishawaka, secretary.

## Cassell Retires as Illinois State Agent of London Assurance

J. Lewis Cassell, Illinois state agent for London Assurance and Manhattan F. & M., retired Jan. 1 after more than 25 years with the companies. Vincent D. Mooney, Illinois special agent and assistant to Mr. Cassell, becomes state agent.



J. Lewis Cassell

Mr. Cassell is one of the best known and popular men in the Illinois field. He has had every office that it is possible for a field man in Illinois to occupy. He was president of the Cook County Field Club, he was the last president of the Illinois State Board, and the first president of the Illinois Fire Underwriters Assn. He was also president of the Illinois State Fire Prevention Assn. and most loyal gander of the Illinois Blue Goose.

During the years he has collected more loot in the way of golf prizes than any other man in the Illinois field and when he was in the competition the rest of the contestants were aspiring at best to second prize.

## Brother Is With National Union

Mr. Cassell is a native of Lexington, Ky. A cousin, N. P. Cochran, operated one of the oldest local agencies there and another cousin was J. W. Cochran who operated a general agency at Dallas with John M. Thomas, now president of National Union, and then went on to become western manager and president of Fire Association.

In 1908 Mr. Cassell went to Fort Worth to become connected with the old International of that city. His brother, William P. Cassell, now state agent at Seattle for National Union, was secretary of International. That company, through a series of mergers, ended up in Republic of Dallas.

## Went to Chicago in 1911

In 1911 Mr. Cassell went with Fire Association at Chicago at the invitation of J. W. Cochran who was then western manager. He started in the Chicago and Cook county field and then went into the Illinois territory. He went with London Assurance as Illinois state agent in 1921 and completed 25 years in that position last May.

A son, George Cassell, formerly an Illinois field man, is now with the W. A. Alexander & Co. agency, Chicago.

Mr. Cassell's home is at Batavia. Mr. Mooney has had 20 years' experience in the fire business. He began with Fire Association in 1926 at Chicago and 10 years later joined London Assurance in the fire department. He became special agent on Jan. 1, 1946. Mr. Mooney spent two years in the army.

## Hold Sunflower Puddle Stag

The New Year stag of the Sunflower Blue Goose puddle at Wichita was held Tuesday afternoon following a buffet lunch. Guests included fire department and police department officials, Charles Gooch, Underwriters Adjusting, big toad, presided.

James M. Casey, manager of the Mitchner agency at Hutchinson, Kan., and secretary of the Hutchinson Assn. of Insurance Agents when he entered the army about four years ago, has been discharged and is now back with the agency. After his return from the Pacific theater several months ago, Captain Casey was confined to the army hospital at Fort Ord, Cal., for a number of months, but received his discharge in time to be home for Christmas.



## Downward Trend Is Settling in in Whisky Market

LOUISVILLE—Less insurance may be needed to cover whisky in storage, particularly bonded warehouses, and indications are that whisky coverage will be easier to get. Since ceiling prices were lifted in October, along with larger grain allotments to distillers, more new whisky has been produced, and distillers who were demanding \$2.25 to \$2.50 per gallon for new whisky, today find that \$1.75 per gallon is about tops.

In older whiskeys, four years and older, that were quoted at from \$10 to as high as \$12 a gallon, the market has also eased, and today's market on Kentucky bourbons appears to be nearer to \$9.50 or \$10 a gallon on the stuff that can be bottled in bond, in that folks paying the higher prices for barrel whisky, found they could not put it in bottles, and compete with some well known brands of the larger companies, which had spiked their prices at much lower levels.

### Making Plenty of Profit

Of course the larger companies had whisky on hand that they produced themselves four years or more ago when whisky could be produced at around 50 to 60 cents a gallon, and figuring carrying charges it wouldn't be much more than a dollar a gallon today, with the result that they are making a pretty penny even at the prices they are charging, but the small operator buying whisky at \$10 or more a gallon, just cannot sell his product.

The general trend of the whisky market is downward, and a lot of holders may be scaling down their insurance before long. The chief bottleneck to production is the limited quantity of rye and high priced cooperage, costing from 50 cents to 60 cents a gallon or more, on a per barrel basis. Indications are that it will be but a few months before production will reach the saturation point, and that prices all along the line will ease.

## Ruled Legal to Authorize Commissioner to Assess Law Violation Penalties

MADISON, WIS. — Commissioner Duell has received an opinion from the attorney general holding constitutional a bill to be presented to the 1947 session of the legislature to provide for penalties with enforcement provisions of insurance laws. The commissioner would be empowered to exact a money forfeiture, within limits, for violation of insurance laws and the commissioner's regulatory orders, after a hearing and written findings.

Atty. Gen. Martin held such a law would not violate the constitution by placing legislative or judicial functions in an administrative agency. Forfeiture proceedings are a proper implement of administration, and the commissioner's limited discretion as to the amount of a penalty is a proper executive function. Access to judicial review is available, the opinion added, since the bill would authorize the attorney general to sue, if necessary, to collect forfeits.

L. V. Russell, Adel, Ia., local agent, has been presented a gold medal by Hartford Fire for 50 years of representation. The agency is now managed by his son-in-law, Harlan D. Glenn.

Midwest Underwriters, Cedar Rapids, Ia., has been incorporated with \$25,000 capital. L. W. Andreas is president; Joe Cross, vice-president and secretary; G. A. Andreas, treasurer.

## DEPRECIATION COVER EXPOUNDED FOR PITTSBURGH BUYERS GROUP

In recent months there has been a growing interest on the part of agents and buyers in depreciation or replacement cost insurance. D. W. McStea, assistant manager of the Allegheny county department of National Union Fire, told the Pittsburgh Insurance Buyers.

Under this form the company agrees to replace the damaged property with material of like kind and quality, without deduction for depreciation. That, of course, is a radical departure from the fundamental theory of insurance and consequently there is a wide difference of opinion in the business as to the soundness of such procedure. The insurance department of Pennsylvania recently approved the class and suggested uniformity by the companies in submission of a form. There has been a tendency in those states where approval has been granted to follow very closely if not entirely the wording of New York form No. 625 adopted in that state May 12, 1943 and it would be reasonable to assume that Pennsylvania will do likewise.

### Confined to Buildings

Companies writing the class generally confine their writings to buildings and building service equipment pertaining thereto, and a part thereof. It is customary to issue a single policy rather than one policy on the building on the basis of sound value and another representing depreciation.

For example, in insuring a mercantile building with a sound value of \$200,000 and a replacement cost of \$300,000, the policy would be issued for a face value of \$300,000 at the published building rate and depreciation endorsement attached without additional premium. Obviously, however, insured pays an additional premium by reason of the amount of insurance he is required to carry in order to comply with the 100% co-insurance clause.

### What Is Not Covered

The company shall not be liable for: (a) More than the amount insured under the policy to which this endorsement is attached; (b) any loss beyond actual cash value at the time of loss, unless the damaged or destroyed property is actually repaired, rebuilt or replaced on the same site; (c) any loss occasioned by the enforcement of any state or municipal law or ordinance regulating the construction or repair of buildings; (d) any greater proportion of any loss than the amount insured under this policy on said building or buildings bears to the total insurance on such building or buildings, whether such insurance contains this endorsement or is on the same interest as that described in this policy or not.

From an underwriting standpoint paragraph (b) is most important, requiring as it does that the property destroyed must be replaced on the same site; otherwise the company is only liable for actual cash value or the amount recoverable under the conventional form. Without this stipulation a moral hazard, active or passive, might easily be created where it would be to an insured's advantage to locate his business in a more desirable and profitable part of town.

In Canada rules, rates and forms have been published limited to sprinklered churches, schools, public buildings, utilities and fireproof buildings and contents (excluding merchandise).

The following states have authorized depreciation insurance: Arizona, California, Delaware, District of Columbia (except dwellings), Georgia, Iowa, Kentucky, Maryland, Massachusetts, New York, North Dakota, Oregon, Pennsylvania, Rhode Island, Utah and Vermont.

The coverage may not be written in: Colorado, Connecticut, Florida, Louisiana, Maine, Michigan, Missouri, New Hampshire, New Jersey, Ohio, Oklahoma, South Dakota, Texas, Washing-

ton, West Virginia and Wisconsin.

In those states not listed jurisdiction one way or the other has not been assumed.

Perhaps replacement cost coverage will be Utopia for the adjuster, he said, or open up a potential volume of additional premium for the producer, but from the company viewpoint—time will tell.

## King County Agents Slate Cunningham for Chief

SEATTLE—The annual meeting and banquet of the King County Insurance Assn. will be held Jan. 14. The nominating committee has slated Robert P. Cunningham, now vice-president, for president, and these other officers: H. P. Sargent, C. P. Sargent & Co., vice-president; R. C. Jenner, LaBow, Haynes Co., secretary-treasurer.

Three of the six trustees' terms will expire this year, and nominated for two-year terms are W. C. Greer, Greer & Edmiston; E. C. Case, McGraw, Kittinger & Case, and J. W. Frazier. W. H. Harmer was nominated to fill the unexpired term of H. P. Sargent for a year.

The business meeting will start at 5 p.m., and the insurance fraternity will join with the agents in a cocktail hour at 6 p.m., to be followed by a banquet.

Commissioner Thompson of Oregon, vice-president N.A.I.C., will give the principal address. Lloyd A. Perkins will serve as toastmaster and President William Gasser is to preside. Commissioner Sullivan is expected to be a guest.

## Settle Commission Suit

A compromise settlement between two Seattle brokerage firms of Byington & Rychar and D. K. MacDonald & Co. has been effected out of court in connection with the dispute over return commissions which Byington & Rychar claimed due them by the MacDonald office on canceled policies of the Seattle Gas Co. The suit against MacDonald and the gas company was filed about a year ago after the gas company ordered its policies canceled short rate on Sept. 1, 1945, and Byington & Rychar called upon MacDonald & Co. to remit return commission in amount of \$2,482. The amount of settlement was not disclosed.

## Hail Conferences Set

The annual meeting of the Pacific Coast Hail Conference has been set for San Francisco Jan. 27.

The annual meetings of the Canadian Hail Underwriters Assn. and Canadian Northwest Adjustment Bureau are to be held at the Congress Hotel, Chicago, commencing March 12. This is the first time that the meeting has been held at Chicago. The Canadians have been wanting to gather there for some time and this was agreed upon several years ago as a post-war project.

## Form Inspection Bureau

SAN FRANCISCO—Leonard Brown and Lew Fredericks, special agents, underwriters and adjusters during their many years with Hinchman & Wentz and Wentz & Erlin, have organized the Insurance Inspection Bureau in Oakland. The service is to render companies inspection reports on the physical and mechanical conditions of insured automobiles, including general appearance.

Both men have had long experience in the field. Mr. Brown was originally with Fireman's Fund and later joined Hinchman & Wentz, which later became Wentz & Erlin, remaining active fourteen years until the latter general agency retired from business when the General Accident purchased the business. Mr. Fredericks had been with the two organizations eighteen years.

## Behlmer, Purcell Hartford Assistant Managers in West

### Bleser Special Risk Head; Lilja Underwriting Chief; Other Changes

The western department of Hartford Fire announces a number of Jan. 1 appointments.

Sidney G. Behlmer is appointed assistant manager. He has been with Hartford since he graduated from Purdue in 1926. He was an engineer and service man until 1938, when he became superintendent of production. In 1945 he became superintendent of the special hazard department.

E. S. Purcell is appointed assistant manager. He joined the company in 1919. He was inspector in the mill and elevator department, and later became special agent in Ohio. In 1928 he became a staff adjuster in Ohio. Later he was transferred to the Chicago office and took charge of the loss department as general adjuster in 1942, which position he has held until the present time.

Howard J. Bleser is appointed superintendent of the special hazard department. Mr. Bleser has been with Hartford since 1929. He took the insurance course at Northwestern University. After working in the office, he was transferred to special agency work in Kansas in 1938. He later traveled in eastern Michigan, and after serving in the war he was placed in charge of a mercantile division as superintendent.

Kenneth L. Lilja is appointed superintendent of underwriting to fill the position left vacant by Mr. Bleser. Mr. Lilja has been with Hartford since 1926, and since 1936 has traveled as a special agent in Iowa.

### Mehaffey Succeeds Lilja

Albert B. Mehaffey, who has traveled eastern Ohio for several years as special agent, after having had several other field assignments since he joined the company in 1922, is transferred to southern Iowa to take Mr. Lilja's place. He is well known in Iowa, where he worked as an engineer.

George W. Barker will succeed Mr. Mehaffey in eastern Ohio. Mr. Barker has been with the company since 1935 and traveled several years in Kansas before entering the army, from which he has recently been discharged.

Alexander H. F. Adlund, who has been with Hartford since 1934 and who traveled out of Detroit prior to his enlistment in the navy, has now returned to the service of the company and is being assigned to his old position in Detroit.

Harry A. Karr, who has been with Hartford since 1920 as a special agent in the farm department in Iowa, is retiring because of ill health.

John S. Little, who has been with Hartford since 1917 as an adjuster at Omaha, is retiring.

William H. Strossman, who has been special agent in Kentucky since 1928 after having served with Henry Clay since 1923, is retiring.

## Accountant Group Elects

SAN FRANCISCO—Louis W. Turner of Hartford Fire has been elected president of the Insurance Accountants Assn. of San Francisco with Earle G. Miler, Fireman's Fund, vice-president. William O. Gropius, L. R. Eby & Co., was re-elected secretary. J. F. Silwinski, Home, and Steve McCormick, New York Underwriters, were elected to the executive committee.

## Program for Hotel Protection Meet

The National Fire Protection Assn. sponsored hotel protection conference on Jan. 16, at the Benjamin Franklin Hotel, Philadelphia, will proceed as follows

—Call to order—C. W. Pierce, Hartford, president of Factory Insurance Assn. and of N.F.P.A.  
—Introduction of presiding officer—George W. Elliott, Philadelphia, chairman of N.F.P.A.

—Purpose of the conference—Percy Bugbee, general manager of N.F.P.A.; Charles A. Horrworth, executive vice-president of American Hotel Assn.  
—“The Story of Recent Hotel Fires, Atlanta, Chicago, Dubuque.”—James K. McElroy, N.F.P.A.  
—Discussion and comment by Fire Chief C. C. Styron of Atlanta; Chief Fire Marshal Anthony J. Mullaney of Chicago; Fire Chief P. H. Kirch of Dubuque; Samuel J. Pope, Boston Hotel Assn. and immediate past president International Assn. of Fire Chiefs; O. M. Harper, chief building inspector of Atlanta; Walker Lee,

building commissioner of Rochester, N. Y., and J. C. Savage, city attorney, Atlanta.

—“Principles of Life Safety in Hotels”  
—Francis Scherer, superintendent of school buildings in Rochester, N. Y., and chairman of the committee on safety to life, N.F.P.A.  
—General discussion by representatives of national organizations.  
—Proposals for a model law for life safety from fire in hotels—John W. Strohm, fire marshal of Iowa and chairman fire marshals section committee on model hotel law.  
—Summary and conclusions.

## Ferguson to Dalmar Agency

J. J. Ferguson has been elected executive vice-president of H. Dalmar & Co., which is one of the oldest Chicago agencies, having been founded in 1893 by the late Hugo Dalmar. Since Mr. Dalmar's death in 1935 the agency has been headed by Mrs. Hugo Dalmar as president.

Mr. Ferguson brings wide experience in production, underwriting and office management to his new post. He en-



**T**his eighty-three year old company, and its well established running mates are, year by year, gaining an ever increasing number of representatives among agents and brokers who like the Fireman's Fund way of doing business--a helpful understanding of producers' problems, fast countrywide binding service, and prompt and cheerful payment of losses. Multiple line facilities and unquestioned financial security are further advantages to both producers and policyholders. Companies of Fireman's Fund Group are good companies to represent.



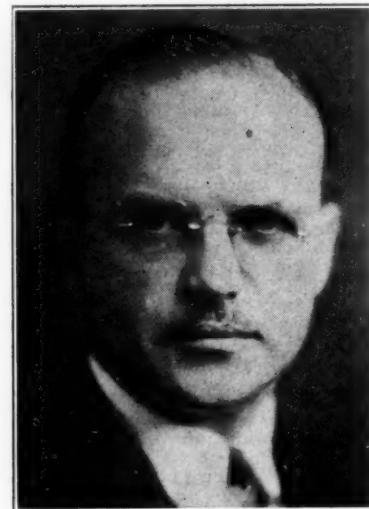
Listen to "Crimes of Carelessness", sponsored by National Board of Fire Underwriters, every Sunday afternoon on the Mutual network. See your newspaper for time and station.

## FIREMAN'S FUND GROUP

Fireman's Fund Insurance Company  
Fireman's Fund Indemnity Company  
Home Fire & Marine Insurance Company  
Western National Insurance Company  
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HEAD OFFICE • SAN FRANCISCO

NEW YORK • CHICAGO • BOSTON • ATLANTA • LOS ANGELES



J. J. FERGUSON

tered the insurance field in 1914 with Hartford Fire. On returning from overseas after the first war he went with Northern of London at Chicago as underwriter and later as special agent in Cook county and then assistant manager.

He resigned from the Northern to become Cook county superintendent of Fireman's Fund. Through successive promotions he was made general agent and then assistant manager of the western department, resigning last October after 17 years service.

## Light Plane Market Is Fast Disappearing

A substantial drop in the aviation market for small air planes has taken place over the past several months, and aviation insurance interests are finding that that source of premium income has almost disappeared.

The latest edition of "Air Market Values," an aviation price rating publication, shows that planes in the \$2,000 class have depreciated as much as 50% on 1946 models. This is due to overproduction in that line, the publication states.

There is a glut on the market of these light planes and the desire of the public for small pleasure craft seems to have been satisfied.

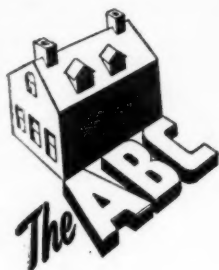
Keen competition has developed for aviation business. With the virtual disappearance of new business in the light plane field, there is much activity for those selling in the \$15,000 or higher bracket. Most of these aircraft are used for business purposes and are considered excellent risks. They are used chiefly for flying executives around the country.

## Seabrook Succeeds Johnson

H. A. Seabrook has been appointed British Columbia superintendent of London Assurance to succeed J. E. Johnson, who has retired after 46 years with the company.

Mr. Seabrook started in the insurance business in 1923 with Liverpool & London & Globe. In 1926 he joined the general agency department of Osler, Hammond & Nanton. In 1935 he became inspector for London Assurance group in Alberta and Saskatchewan.





## OF MORE DWELLING PREMIUMS

### **A** Don't Overlook Dwelling Contents Premiums

The majority of policyholders do not increase their Fire Insurance on household goods and effects for the simple reason that they, themselves, have little actual knowledge of the true values represented in their homes. Yet reliable figures show that household goods and personal effects values have increased by 30% or more.

For those reasons, it is suggested that you call your Insured's attention to that lack of proper coverage by means of a sales letter, accompanied by our folder, "Your Possessions Now Have NEW Values." (Write for samples of both.)

The real selling worth of the folder is that it contains an abbreviated form of household inventory which the Insured and his wife can fill out readily. If directions are followed, "Mr. & Mrs." will see quite clearly and quickly that they do not have enough insurance on their household goods and effects. The folder tells the whole story.

The best time to send out the letter and folder is well in advance of policy renewal date, with the suggestion that after the Insured has estimated his values, he instruct your agency to increase his Fire Insurance to adequate limits.

**This Plan Has Worked With Other Agencies, Why Not With Yours!**

### **B** Watch Dwelling Property Values

While much attention has been and is being given to this phase of Under Insurance, results from the INSURANCE-TO-VALUE CAMPAIGN of the National Board of Fire Underwriters have surpassed expectations.

Three country-wide sampling tests showed that the home and household effects coverage of 22,218 policyholders, previously protected by \$64,430,294. worth of Fire Insurance, had been increased by \$33,503,753, or 52%.

These tests indicate that slightly more than half of the "Dailies" being passed by member-companies come through with additional new insurance raising policy amounts to adequate limits.

There is still a big job to be done in that direction! Construction costs continue to rise rapidly, making it necessary to increase insurance in line with increasing values. For both policyholders and agents, it is best to be on the safe side and have a little more than enough insurance—really adequate-insurance-to-value!

### **C** Give Your Policyholders Even Broader Protection

While "A" and "B" herewith take care of your policyholder's Fire Insurance protection quite nicely, you can still give them the broadest kind of protection against *practically* all major hazards of loss or damage to their property through providing EXTENDED COVERAGE.

Just the other day one of our Chief Examiners pointed out at a home-office underwriting meeting that certain alert agents are paying close attention to giving policyholders this extra protection. He noticed that certain agencies included Extended Coverage in every policy, whether dwelling or contents. Since the cost is nominal, especially on dwelling contents policies, no cancellations of this feature have been noted. In other words, policyholders take it in stride along with the increased cost of everything else. Most important, the additional premiums enable agents to pick up enough extra dollars to offset those lost by rate reductions.

You can automatically include the Extended Coverage Endorsement with all Fire renewals and new contracts, using our policy sticker No. 147, "For Comprehensive Protection," to call attention to the additional protection. We recommend this automatic inclusion of Extended Coverage, for experience shows such business sticks. Write for a supply of No. 147.

NORTH BRITISH AND MERCANTILE INSURANCE COMPANY LIMITED  
THE PENNSYLVANIA FIRE INSURANCE COMPANY  
THE COMMONWEALTH INSURANCE COMPANY OF NEW YORK  
THE MERCANTILE INSURANCE COMPANY OF AMERICA  
THE HOMELAND INSURANCE COMPANY OF AMERICA

150 WILLIAM STREET, NEW YORK 8, N. Y.

New York — Philadelphia — Boston — Detroit — Chicago — San Francisco

# Fire-Inland Marine Loss Principles Interpreted

NEW YORK—A satisfied assured may be a friend and a booster of a company and insurance for a lifetime, Ward Cunningham of Chubb & Son, said in his talk on "Agreement of Guiding Principles, Fire-Inland Marine" at a dinner of the Inland Marine Claims Assn. He will never seek legal counsel and never complain to the insurance department.

A great source of trouble used to be assured who had two policies that read separately—purported to cover the risk, but when placed side by side, neither did and neither would pay his loss. He had too much insurance and paid double premiums but had no coverage because each company pointed a finger at the other and told him to seek reimburse-

ment there: A perfect set-up for bad public relations.

Assured was not interested in "excess" and "other" insurance clauses and rightly so. He was entitled to be promptly indemnified without fuss and feathers over one company's desire to shift responsibility to the other. So was born the agreement of guiding principles between the fire and inland marine business.

## Entitled to Be Paid

In the preamble, which states "whereas the occurrence of such disputes is against the interest of the insuring public and the companies" lies the meat of the coconut, Mr. Cunningham said.

Principle I, "Insurance covering scheduled property shall take precedence over any other insurance," needs no explanation. Insurance effected on an expressly described article or object for an express amount, not in custody of the bailee, shall be deemed to insure independently of any other insurance. There is no doubt that a group of articles or objects, insured blanket as to amount, do not come within this principle.

Principle II, "Two or more insurances covering scheduled property shall contribute," is simply an extension of principle I to two or more similar insurances, providing for contribution between or among them on the basis of the amount insured, but if subject to co-insurance, average or distribution clauses, contribution shall be in accordance with general condition 3.

## Fire Policy Primary

Under principle III, "Insurance specific as to location shall take precedence over floating insurance," the fire policy is primary and the inland policy pays the excess, if any. If the contractor had a bailee customers' policy, principle VII would apply, and the bailee policy would be primary, the fire policy coming in only for the excess, if any.

Principle IV, "Two or more insurances specific as to location shall contribute, except as provided in principle V," is simply an extension of principle III to two or more similar insurances, Mr. Cunningham said, providing for contribution in accordance with general condition 3. The exception is specifically provided for in principle V.

As to principle V, "personal property floaters and household contents insurance shall contribute," Mr. Cunningham said the explanatory review points out that the P.P.F. indicates that specific form and not personality in general. Two bases of contribution are provided: A, Loss at the location named in both policies, and B, at all unnamed locations.

## Insurance to Value

With respect to A, consideration must be given to the requirement that the personal property floater contemplates insurance to value. The unexpired fire insurance for which the credit has been allowed reduces the personal property floater insurance. It should be noted that in New York City and suburban forms there usually is an 80% coinsurance clause in the fire policy.

"\* \* \* but where stated limits of liability operate in any policy on certain articles or property, the value and loss on such property shall be deleted from the adjustment and contribution shall be as provided in general condition 3, on the property subject to certain limit(s) of liability."

"The word 'deleted' may cause some confusion, Mr. Cunningham said. What is intended is that the claim man shall first determine the limits of liability under the policy, on the property subject thereto, apportion the loss on that property in accordance therewith and then forget about it with respect to the balance of the claim.

With respect to B, at all other locations, off premises or in all other situations covered by the policies, contribution shall be provided in general condition 3, or, in other words, the limit of liability rule shall apply.

Mr. Cunningham illustrated principle VI ("two or more blanket floating in-

surances shall contribute") as: A personal effects or tourist floater and the 10% off-premises coverage of the household contents fire policy would contribute on the basis of the limit of liability rule; example, a set of golf clubs and clothing destroyed by fire at country club, or in an automobile or on a train.

## Bailee Cover Takes Precedence

Principle VII states "Insurance effected by bailee on property shall take precedence over 'off premises' household contents insurance."

The subject of this principle was hotly debated and argued for many months between the two groups of insurers. It was finally mutually agreed that the losses occurring on bailees' premises should be borne by the inland marine bailee policy, where, Mr. Cunningham said, they always belonged. The extension clause of the fire policy originally contained the word "excess," permitting the fire insurer the doubtful privilege of deferring liability for the loss in favor of the bailee insurer. The fire insurer soon found that his assured refused to consider his fire policy excess and said so very definitely. "Excess" then came out of the policy, but the situation changed slightly. Assured was frequently paid by his fire insurer who then sought full recovery or contribution from the bailee insurer who refused to pay on any basis, feeling that the fire insurer had encroached upon his territory and it was no more than right that the loss should be borne by the fellow who "stuck his neck out."

## Chaotic Conditions

As a consequence, a chaotic condition was created almost overnight and war was declared. However, the better minds in the business seized the problem and dealt with it as set forth in principle VII. The bailee insurers agreed to be primary and to pay all claims, subject to their limit, leaving the fire insurer to pick up any excess and to pay those claims occurring elsewhere "off the premises" than the bailee's establishment. However, in the first instance the fire policy may pay and thereafter, other things being equal, recover (CONTINUED ON PAGE 17)

## William Uttinger Retires

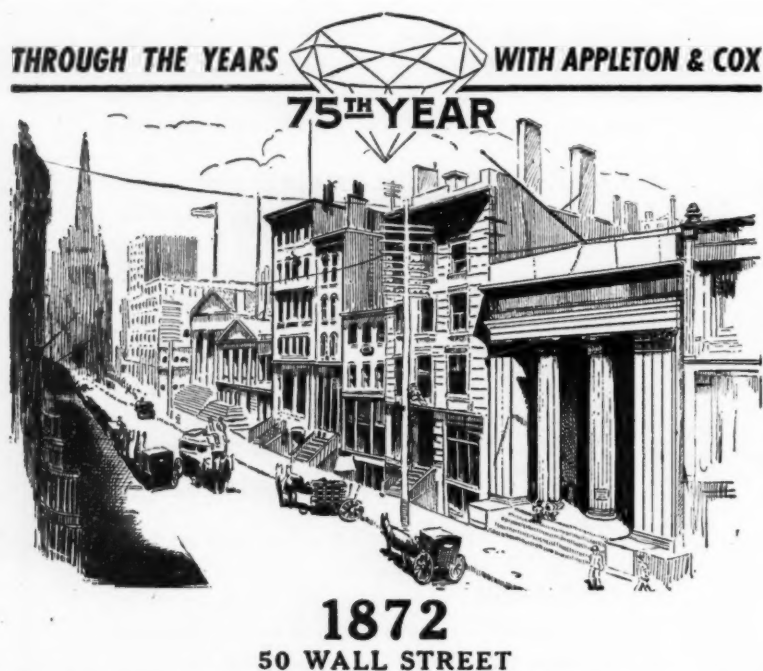
William Uttinger, superintendent of London & Lancashire Indemnity's payroll auditing department, retired Jan. 1 after many years service. He was at one time with Frankfort General, remaining until its dissolution by the alien property custodian after the first war.

George W. Ford, 66, vice-president of Kentucky Central Life & Accident, died of a heart ailment at a Louisville hospital, following a short illness. He was with the company as agency manager for 34 years, became a director in 1935 and vice-president in 1940.

Alexander Myers & Co., Seattle local agency, has purchased insurance business of A. F. Nichols Co.

A Prosperous New Year.  
is just ahead of us and  
many changes are  
contemplated. Excellent  
opportunities are now  
available for Branch  
Managers, Claim Man-  
agers, Special Agents  
and Underwriters.

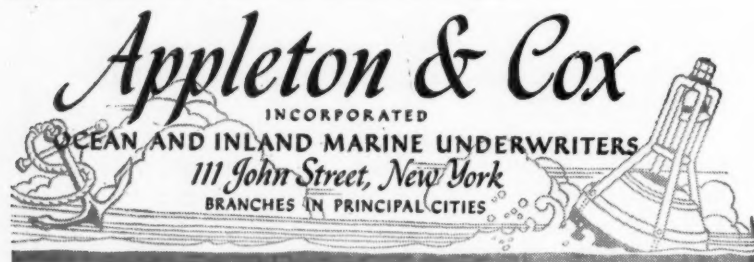
**FERGASON PERSONNEL**  
Insurance Personnel Exclusively  
166 W. Jackson Blvd., Chicago 4, Ill.



The War between the States had been terminated seven years, Alaska had flown the American flag for but half a decade and the transcontinental railway was only three years old when the firm of Higgins and Cox, Attorney, opened its doors at 50 Wall Street in 1872 to manage the affairs of the Subscribers at United States Lloyds. Among the one hundred subscribers were listed many of the most substantial firms and individuals of that day. Although A. Foster Higgins did not remain active in the business and despite periods of general depression and business losses, the firm prospered under the guidance of James

Farley Cox. Subsequently, Herbert Appleton, who had long been actuary of the firm, and Douglas F. Cox, son of the founder, carried on the organization which in 1916 became Appleton and Cox, Attorney. The present corporation of Appleton & Cox, Inc. was formed in 1920.

The spirit of determination that was instilled in the firm of Higgins and Cox back in 1872 has never faltered through the years. Today, Appleton & Cox is utilizing its wide experience to provide policies designed to render increased protection for all types of marine risks.



1794

153RD ANNIVERSARY

1947

**THE INSURANCE COMPANY**  
**STATE OF PENNSYLVANIA**

308 WALNUT STREET, PHILADELPHIA 6, PA.



FIRE · MARINE · CASUALTY · SURETY

# Loyalty Group

## INSURANCE

### EXCERPT FROM BEST'S 1946 INSURANCE REPORTS

A very notable improvement in the general position of the Firemen's fleet, brought about by sound underwriting practice, efficient management, and a conservative investment policy, is evidenced by a comparative statement of the assets and liabilities as of the close of the years 1935 and 1945.

#### ASSETS

	Dec. 31, 1945	Dec. 31, 1935
Real Estate . . . . .	\$4,633,561.	\$6,596,844.
Mortgage Loans . . . . .	4,414,956.	11,599,897.
U. S. Government bonds . . . . .	30,518,172.	3,181,284.
F. M. C. bonds . . . . .	450,000.	4,580,000.
Other bonds . . . . .	7,922,392.	11,704,579.
Common stocks . . . . .	15,801,849.	7,656,842.
Preferred stocks . . . . .	16,781,645.	3,985,942.
Cash . . . . .	5,911,186.	2,075,852.
Premium balances . . . . .	7,635,854.	5,245,868.
All others . . . . .	1,734,017.	1,757,004.
Market value adjustment . . . . .	580,445.	357,670.
<b>TOTAL . . . . .</b>	<b>\$96,384,077.</b>	<b>\$58,741,782.</b>

#### LIABILITIES

	Dec. 31, 1945	Dec. 31, 1935
Loss reserves . . . . .	\$20,694,505.	\$11,359,513.
Unearned premiums . . . . .	44,085,268.	24,667,204.
Perpetual deposits . . . . .	458,449.	552,659.
Miscellaneous . . . . .	7,479,839.	3,341,097.
<b>TOTAL . . . . .</b>	<b>\$72,718,061.</b>	<b>\$39,920,473.</b>
Capital . . . . .	9,397,690.	9,397,690.
Net surplus . . . . .	14,266,518.	9,386,520.
Minority interest . . . . .	1,808.	37,099.
Policyholders' surplus . . . . .	23,666,016.	18,821,309.
<b>TOTAL . . . . .</b>	<b>\$96,384,077.</b>	<b>\$58,741,782.</b>

#### HOME OFFICE

10 Park Place

Newark 1, New Jersey

#### PACIFIC DEPARTMENT

220 Bush Street  
San Francisco 6, Calif.

#### WESTERN DEPARTMENT

120 So. LaSalle Street  
Chicago 3, Illinois

#### SOUTHWESTERN DEPARTMENT

912 Commerce Street  
Dallas 2, Texas

#### FOREIGN DEPARTMENT

111 John Street  
New York 7, New York

#### CANADIAN DEPARTMENTS

465 Bay St., Toronto, Ontario  
535 Homer St., Vancouver, B. C.

## POINTERS FOR LOCAL AGENTS

### Agency Uses Fatal Crash to Stress Coverage Need

NEW YORK—The Christie agency of Dumont and Bergenfield, suburbs of New York City, made use of the recent bad crash on a nearby super-highway to drive home the need for adequate liability insurance. Captioned, "What If Your Car Killed Five Persons?" the agency's advertisement reads:

—Suppose it were your car that jumped the island on Route 4 in Englewood last Sunday morning. As a result five persons lost their lives, others were injured and cars were badly damaged. Insurance won't bring back those who were killed but it will compensate in some measure, for the loss the families suffered. Think when you drive a car and don't drive one without adequate insurance.

## CHANGING TIMES *need* CHANGING METHODS

Backed by ample resources and with a sweeping knowledge of the ever changing insurance picture . . . Pearl American stays abreast of the changing needs of your risks. We maintain a flexible, continuous program indispensable to sound service in the face of constant change.

Progressive service allied with a warm understanding of agents' individual problems—these have long distinguished Pearl American companies.

Investigate Pearl's friendly cooperation . . . Pearl's ability to grasp your problems and help you keep YOUR customers satisfied.

**PEARL AMERICAN**

HOME OFFICE: 19 RECTOR STREET, NEW YORK 6

CLEVELAND, 313 BULKLEY BLDG. NEW YORK, 26 CLIFF STREET  
PHILADELPHIA, 525 CHESTNUT ST. CINCINNATI, 1417 CAREW TOWER  
SAN FRANCISCO, 369 PINE STREET CHICAGO, 175 W. JACKSON BLVD.

## NATIONAL INSPECTION COMPANY CHICAGO, ILLINOIS

Service to Stock Fire Insurance companies for 43 years.  
Inspections and Underwriting Reports.

J. G. Hubbell, Managers R. L. Thiele, Ass't Mgr.  
H. B. Chrisinger, P. A. Pederson, Chief Inspector

## Local Athletic Teams Clue to Large Accident Cases

It is not too early for producers to lay the groundwork for writing accident coverage on athletic teams in their communities for the spring and summer sports, baseball, track, tennis, spring football and any others. By doing so the agent can climb on the premium bandwagon while athletic team accident is in the transitional stage from a pioneer cover to one on which experience is jelled and which has popular acceptance everywhere.

During 1946, the first full post-war year, athletic teams accident gained its greatest impetus and enough spread and experience has been developed to bring about revisions in rates for individual sports, in most cases downward.

Despite its increase in popularity, this coverage is one about which producers in general know little, and the public knows less. Still in almost every case where such coverage has been broached to athletic executives, it has caught on.

### Should Set Aims High

The trick of developing a high premium on this business is for the agent to propose the coverage to the highest echelon possible in each athletic league or association. While many individual teams have been written, in most cases the agent writing them has missed a bet because he has not gone to a higher level and covered the entire league or association in which the team operates. For instance, most high schools are in a league, which in turn is a member of a state high school athletic association. Municipal athletic associations have been found even more receptive to the coverage than the high schools. In Wisconsin, for instance, the state recreation association has an arrangement with Illinois Mutual Casualty through which all individuals competing in municipal sports throughout the state are covered.

This municipal plan is not to be confused with the Wisconsin Interscholastic Assn. self-insurance plan for high and grade school athletes. In several other states, various athletic associations self-insure. Some of these plans have been switched over to commercial insurers during the past year. Insurers have had requests from others, but have been unable to reach agreement on the scope and fee. In general it appears that these experiments in self-insurance have been much more trouble than they are worth, because the associations are not set up to handle administrative details and are novices in the risk field. Most of the self-insurers would probably welcome a switching of the cover to an insurance company.

College conferences are good prospects, even though as yet none of the coverage has been written beyond the individual school basis. Almost totally untapped are the hundreds of industrial leagues and leagues within corporations of large size. Softball is the leading industrial sport and there is scarcely a town of any size in the country that does not boast a number of softball teams representing companies of all types.

### Companies Writing Cover

The number of companies writing athletic team accident has increased materially. Among them are Continental Casualty, American Casualty, Central Assurance, Employers Liability, General Accident, Illinois Mutual Casualty, Income Guaranty, Michigan Life, Peerless Casualty, Provident Life & Accident, Royal Indemnity, Woodmen Accident, and United Pacific.

The coverage is still in an experimental and fluid state, so that most of these companies will tailor coverage to fit any demand. However, generally coverage is medical reimbursement either on a schedule basis or on an unallocated basis. It is of necessity written on a reporting form, with the team or association manager estimating the number of players he will have and pay-

ing a premium in advance and a readjustment of this payment at the end of the season.

To date, by far the most popular type is the allocated coverage with definite schedules of payment set up for each type of injury. The appeal of this type is the extremely low premium, often as low as \$1 per man per season for football which is generally regarded as the most hazardous sport. Unallocated reimbursement, on the other hand, usually runs about \$8 per participant per season for football.

### Unallocated Preferred

Company men generally urge producers to start off by offering the unallocated type for various reasons. In the first place this type develops considerably more commission for the agent. They also stress that for the small premium for allocated coverage, companies cannot afford to schedule reimbursement that will be adequate in all cases. This fact brings with it the attendant resentment of the injured individual and the association to which he belongs toward the insurance company.

The main stipulation which most companies make on this business is that they be given enough time before the start of a sport season, to evaluate the risk and set up an adequate premium. Company service often includes sending a specially trained company man with the producer to size up the situation and to talk to the particular athletic executives in question. These company men are usually athletes or former athletes who speak the sports language and can prove of invaluable aid to the producer in clinching big cases.

### Now Write Professionals

At first companies were wary of writing semi-professional or professional teams and conferences and such extra-hazardous sports as hockey. Now, however, some of these companies at least feel that they have had enough experience to be able to quote a rate for any sport on any level. A relatively new development is the covering of entire school student bodies who participate in physical education classes or in intramural sports. There are only a few cases of such coverage on record, but company men stress that this has limitless possibilities. Also a relatively new conception is cover of industrial teams and industrial sports activities even on an unorganized level. A survey by one of the companies developed the interesting point that in only five states are sports participation by workers either in a plant or under industrial sponsorship, covered by workmen's compensation. In 12 other states there is no certainty in the matter. With labor relations assuming important proportions, no employer can afford to overlook the possible trouble which might result from a worker being injured in a plant sponsored sport and being unable to collect workmen's compensation or any other type of reimbursement for his injury.

Coverages generally apply to the actual sports contest, practice sessions and all accidents to participants while traveling to and from games.

### ACCOUNTANT AVAILABLE

Reliable accountant with proven ability. Interested in making permanent connection with an established company. Wide experience. Will consider out of town position, or investment in going organization. Excellent reference. Will furnish detail information upon request. Address J-79, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### AVAILABLE JANUARY 31, 1947

Man, 37, with 17 years experience with same Company, Managed Claim Department for 8 years, handling outside physical damage adjustments. Desires connection in Southern Ohio, preferably Cincinnati. Excellent references. Address J-84, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## Card North Inland

NEW cantile secretary and spec

A. W. B. Mr. C wide o he has ropolitan the hom

Mr. C practical home-off over a p

He a where h insurance business fine bro Hughes. America tablishin

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Mr. C organiza course York ac lectures.

## Coffey Reside

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## Carroll as Mi

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## N. Y.

NEW Assn. o Thomps dent; I vice-pro demnity has ju America ary me

## North

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## Cardona Named North British Inland Marine Chief

NEW YORK—North British & Mercantile has appointed J. Russell Cardona secretary in charge of the inland marine and special lines department, succeeding A. W. Barthelme, resigned.

Mr. Cardona will supervise country-wide operations. For the past six years he has been general agent for the metropolitan inland marine department at the home office.

Mr. Cardona has had a thorough and practical training in agency, field and home-office executive work extending over a period of more than 25 years.

He attended Columbia University where he majored in admiralty law and insurance. He started in the insurance business in 1920 when he joined the marine brokerage firm of Wilcox, Peck & Hughes. In 1925 he resigned to go with America Fore where he assisted in establishing an inland marine department.

In the latter part of 1928 Mr. Cardona opened an agency at New York under his own name, and in 1930, together with Thomas J. Hogan, organized the Thomas J. Hogan Agency. This partnership was terminated in 1937 when Mr. Cardona joined North British as special representative to establish the metropolitan inland marine department. In 1940 he was advanced to general agent.

Mr. Cardona in 1939 assisted in the reorganization of the new inland marine course of Insurance Society of New York and delivered the first series of lectures.

### Coffay Is Advanced to Resident Vice-president

John P. Coffay, Jr., who in September, 1945, became active manager of the New York branch of American Automobile and affiliated companies, has been appointed resident vice-president in New York for the American-Associated group.

He has been in with companies in New York since 1941 and was underwriting manager and metropolitan production manager before taking over his present executive duties. Mr. Coffay started his insurance career in Baltimore more than 20 years ago and has been in New York since 1936.

### Carroll Succeeds Sampson as Miss. Bureau Manager

Following the appointment of W. W. Sampson, former manager of the Mississippi State Rating Bureau, as manager of the Southeastern Underwriters Assn., F. J. Carroll, Jr., secretary, and R. H. Tucker, assistant manager-chief engineer, have been appointed manager and associate manager-chief engineer, respectively, of the Mississippi Bureau. Both have been members of the bureau staff since 1936 and have been connected with the bureau since 1924.

J. F. Barksdale has been appointed secretary. He has been serving as engineer for the bureau since 1937.

### N. Y. Surety Men Elect

NEW YORK—The Surety Managers Assn. of New York City elected W. J. Thompson, Eagle-Globe-Royal, president; E. J. Donegan, Loyalty group, vice-president; B. N. Collyer, Royal Indemnity, secretary. M. L. Jenks, who has just retired as vice-president of American Surety, was elected an honorary member.

### North America Replies

WASHINGTON—North America has filed brief with the U. S. Supreme Court in the case against that company brought by Baker Castor Oil Co. The brief says courts below decided Brazilian ships carrying Baker's castor bean cargo from Brazil were not diverted from New York to New Orleans, as result of governmental restraint or enemy action, but

under arrangements made long before between the United States and Brazilian governments.

Baker claimed North America should pay the cost of rail transportation of cargo from New Orleans to New York under a war risk policy.

North America says while vessels were in Brazilian waters, the Brazilian government obtained war shipping administration war risk coverage on the vessels, conditioned on trading to Gulf ports, and Brazil was not subject to compulsion.

The company asserts its coverage for

Baker insured cargo safety, but not completion of voyage.

### Florida Field Officers for 1947

Newly elected officers of the Florida Field Conference are A. W. Roberts, general agent Phoenix of Hartford, chairman; Sam White, Bradfield & Rhudy, vice-chairman, and John Q. Hedgepeth, special agent National Union, executive secretary.

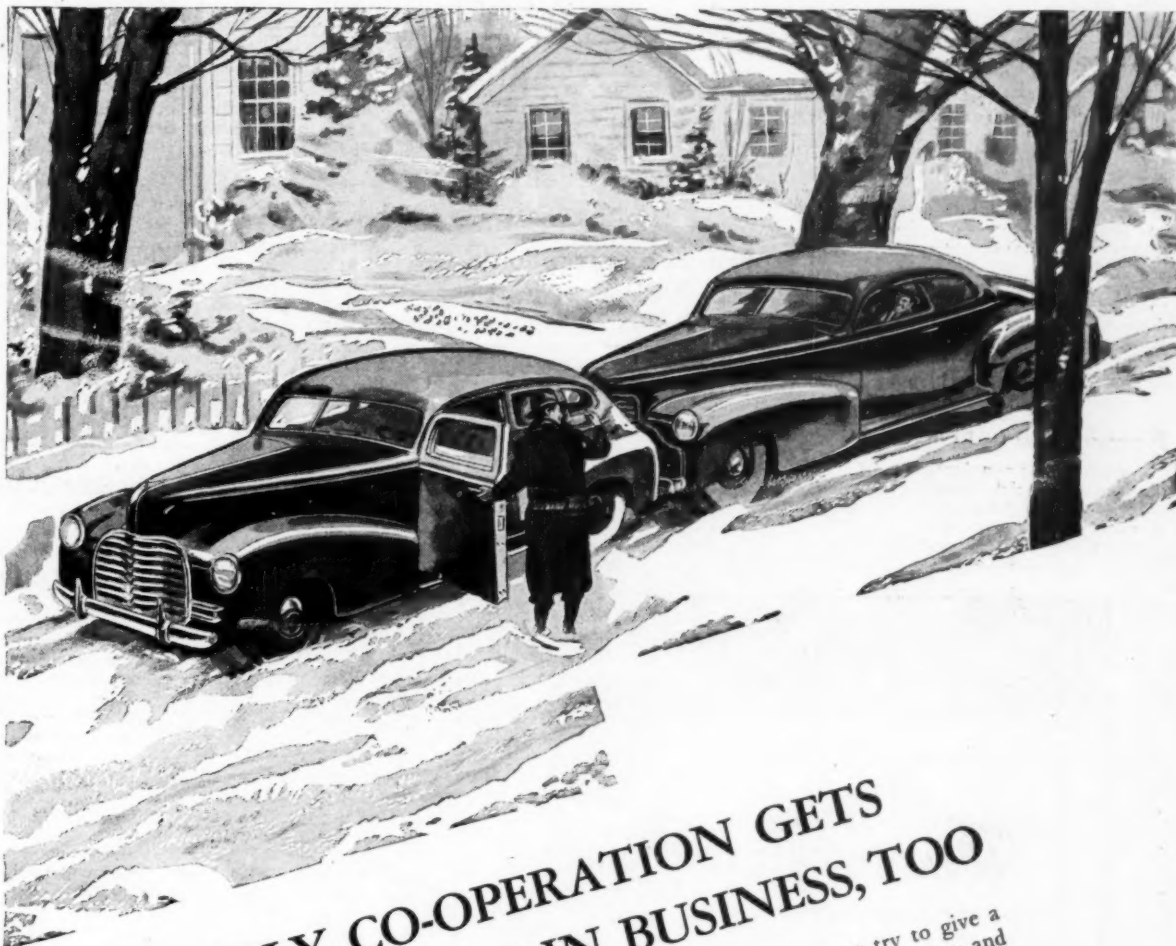
Joseph A. Cronin, 55, an associate of Benedict & Benedict, New York, died. He had been with the organization since 1939.

### Phoenix of London Makes Appointments on Coast

LOS ANGELES — Phoenix-London appointed Norman T. Horsburg special agent, James Gilmore fire underwriter, John Sergeant and Walter Low, casualty claim adjusters.

### American Moves on Coast

The American group has moved its Pacific department office in San Francisco to 256 Montgomery street.



## FRIENDLY CO-OPERATION GETS THINGS MOVING IN BUSINESS, TOO

A balky engine and a cold morning make a mean combination to waste time, rile tempers and pile up garage bills. It's a tough situation but one that is easily and happily solved by cooperation between the driver and a friend who comes along and gives willing assistance.

In business it's the same story. Friendship helps to solve problems pleasantly and effectively. Ever since 1853 we've been applying this friendly co-operation principle to our relationship with "Ag" and Empire State agents.

Agents have given us the nickname 'Friendly

Folks' . . . perhaps because we try to give a helpful push whenever we see a chance; and they say they like to do business with us for two reasons:

First, they enjoy the pleasurable association they find in our relationship. Second, working with us in friendly understanding of our common problems cuts red tape, lessens detail, reduces correspondence, gets rid of unnecessary reports, plays a big part in expediting settlement of claims. Maybe you, too, would enjoy doing business with us. Won't you drop us a line so we can get acquainted?

Every Type of Property Insurance for Industry and the Home.

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Insurance Company  
of Baltimore, Md.

**Empire State**  
Insurance Company  
of Baltimore, Md.



## NEWS OF FIELD MEN

### Aetna Forms Unit at Grand Rapids

Aetna Fire has opened a service office in the Federal Square building, Grand Rapids, under the supervision of L. H. Stoehr, state agent.

This office will serve agents in western Michigan, and State Agent G. R. Livingston will serve eastern Michigan from Detroit.

Mr. Stoehr has been special agent in Kansas and prior to that was located in the Detroit Wayne county office for several years.

Charles B. Frazier has been appointed special agent in Kansas to succeed Mr. Stoehr and will be associated with State Agent F. W. Jackson with headquarters at 701 Jackson street, Topeka.

Mr. Frazier served with the marines in the south Pacific and since his return has been working in various departments in the Aetna office preparing for his field work.

Fred A. Andersen has been assigned to Kentucky as special agent in the farm department, assisting State Agent Knoop. Mr. Andersen has been connected with the Chicago office since 1936 except for the period of several years in the armed force.

### Hargreaves in N. E. Field

American has appointed Fred H. Hargreaves as special agent for Worcester county, southeastern Massachusetts and Rhode Island.

Mr. Hargreaves started with the improved risk department of Fireman's

Fund's eastern department, in 1928. In 1932 he joined American in the underwriting department.

After serving as an army 2nd lieutenant in the southwest Pacific he rejoined American's New England department a year ago.

### Cousineau Special Agent of Home at Cleveland

Paul D. Cousineau has been appointed special agent of Home fleet at Cleveland, replacing John Frazier.

Mr. Cousineau has had a wide and varied experience in insurance. He started with Cleveland National, served with Ohio Inspection Bureau, was state agent in Indiana for Pearl and joins Home from his managership of the marine department in Pearl's New York office.

### Mich. Fire Prevention Assn. Refresher Jan. 15

The Michigan State Fire Prevention Assn. is planning a fire prevention refresher course at the Hotel Fort Shelby, Detroit, on Jan. 15. Speakers include Harry Rogers, Emmet Cox and Robert Loughhead of Michigan Inspection Bureau.

The Blue Goose meeting will be held the following day at the Detroit Leland Hotel.

Kansas headquarters of Fireman's Fund have been moved to 518 New

England building, Topeka, where the farm and hail department, formerly in Wichita, is also located.

### Kimm Minnesota Special Agent Travelers Fire

Herbert J. Kimm has been appointed special agent of Travelers Fire in Minnesota. He has been several years with the comptroller's department at Minneapolis. A year ago he was appointed assistant cashier, fire lines. He will service the Minneapolis and St. Paul districts.

### Calif. Pond to Hear Grove

LOS ANGELES—California Blue Goose will hold a meeting and initiation Jan. 3. Walter Grove, Geyer & Co., New York, formerly with Alfred M. Best Co., will speak on "Analyzing Insurance Company Statements." The Christmas party will be held Jan. 17.

Emil Janousek, Kansas state agent of Security of New Haven, has returned to his office in Wichita following several weeks recuperating from a major operation.

The Christmas splash of the Oklahoma Blue Goose was attended by 225 members, their families and guests. A dinner was followed by dancing.

## COMPANIES

### Young Now Western Department Chief for American Group

American has named Secretary John P. Young, Jr., manager of the western department of its fire companies at Rockford, Ill., where he will go in February.

With Southern Adjustment Bureau as an adjuster from 1919, Mr. Young in 1925 went with Dixie Fire as manager of its loss department. In 1939 Mr. Young was transferred to the administrative office of American group in Newark as fire company loss manager.

In 1940 he was elected assistant secretary and placed in charge of underwriting. Last May he was elevated to secretary.

### Liquidate Equity Fire

Equity Fire of Kansas City is being liquidated voluntarily. Most of the stock is held by Bruce Dodson, attorney-in-fact of Reciprocal Exchange and Casualty Reciprocal Exchange. Equity Fire has been operating on a restricted basis for some time.

### Increase Gulf Resources

Paid in capital of Gulf of Dallas is to be increased to \$1,100,000 from \$1,000,000 and \$175,000 will be added to net surplus. This will be accomplished by the issuance of 10,000 shares of additional \$10 par value stock at \$27.50. The recommendation of the directors has been approved by the stockholders.

### Reincorporates in N. C.

Blue Ridge Ins. Co., which has had its executive offices at Shelby, N. C., for some time, has now been reincorporated as a North Carolina institution. It was started at Spartanburg, S. C., under a South Carolina charter and has continued until this time as a South Carolina company, even though domiciled at Shelby. Fred W. Blanton is president and Don S. Carpenter is secretary.

Stockholders of Blue Ridge have acted favorably on the recommendation of directors to increase the capital from \$300,000 to \$750,000. The authorized capital is \$1 million.

The annual report disclosed that premiums for the year ending Dec. 31

will amount to \$330,000. Premiums are currently being received at the rate of \$40,000 monthly, it was stated.

## CHICAGO

### NEW SETUP FOR GILL

Bradford Gill has retired from membership of the firm of Moore, Case, Lyman & Hubbard,



Bradford Gill

Chicago, but will continue to carry on his insurance business under his own name in the Insurance Exchange building there. He had been a Moore-Case partner since 1944. Formerly he was with the class 1 agency of Gilbert & Gill as a member of the firm. He graduated from University of Chicago and has been in the insurance business in Chicago since 1911. He served for three terms as chairman of the Chicago Insurance Agents Assn.

### W. C. ANDERSON RETIRES

William C. Anderson has retired as assistant secretary and agency manager of the Osborn & Lange agency, Chicago. He has been with the organization 36 years and that comprehended practically all of his insurance career. He was tendered a farewell party by the men in the office at the Union League Club with T. L. Osborn officiating and he was presented with a traveling bag.

### "Ancient Firemen" Gather

The Philadelphia members of the "Ancient Firemen" held their annual dinner with President Frank H. Thomas acting as host. This group is composed of employees with 25 years or more of service with Fire Association.

The Chicago group of Ancient Firemen also held its dinner at which time George Harris of the fire underwriting department was initiated as a member.

## Property Facts Are Basic

The starting point for sound solution of problems of Insurance, Income Taxation, Reconversion, Accounting and Finance is an accurate knowledge and record of Property Facts.

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On our Eightieth Anniversary we extend our sincerest best wishes to our friends everywhere.

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H. H. CORSON

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PETER DAVIS

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## NEW YORK

### HIGH POST FOR SCHAEFER

H. W. Schaefer, well-known insurance broker, has been elected vice-president of New York Board of Trade.

Mr. Schaefer graduated at Syracuse University in 1907. Mr. Schaefer went to New York in 1910 and established the H. W. Schaefer Co. of which he has been president throughout.

For 15 years he was director of the National Assn. of Casualty & Surety Agents. He is a past president of National Assn. of Insurance Brokers and a director of the Insurance Brokers Assn. of New York. Mr. Schaefer served as mayor of North Plainfield, N. J. and as director of Syracuse University Club and trustee of Syracuse University.

He has served as a representative of the insurance section, New York Board of Trade directorate for the past two years and is still one of the executive members of the insurance section.

H. W. Schaefer



### IBM INSURANCE SETUP

International Business Machines has divided its special insurance sales department into life and fire-casualty divisions. Heading the latter is Claude H. Mahan. Since 1940 he has been assistant manager of the insurance unit. He was in the fire-casualty business 12 years prior to that.

J. A. Little will now devote his entire activity to life insurance.

Mr. Mahan was with Federal Surety of Davenport and then when that company was taken over by Lloyds Casualty, he went with the latter as comptroller, remaining there until he went with I.B.M.

### NOTTINGHAM IS SALUTED

C. A. Nottingham was saluted by the executives of Royal-Liverpool at a luncheon in view of the fact that he has completed 25 years with the group in the United States and 43 years altogether. He was presented with a handsome wrist watch. Messages of appreciation were spoken by Harold Warner, general attorney; H. C. Conick, U. S. manager, and F. B. Zeller, U. S. marine manager.

Mr. Nottingham joined the group at Birmingham, England, with Central, occupied various positions with L. & L. & G. before coming to the U. S.

### Illinois Blue Goose to Hold Midyear Meeting Jan. 21 at Peoria

The Illinois Blue Goose will hold its midyear meeting Jan. 21 at the Hotel Jefferson, Peoria. There will be a big representation from the grand nest, headed by Most Loyal Grand Gander George Edmondson, Tampa; R. A. Kenzel, grand welder, Milwaukee; and J. Ray Hull, American States, Indianapolis, grand guardian. Eugene F. Gallagher, Planet, Detroit, deputy most loyal grand gander for the central region, also will attend.

Dinner will be at 6 p. m. and there will be a business meeting. A large class of goslings will take their first swim.

Paul Bowers, manager of Western Adjustment at Joliet, most loyal gander of the Illinois pond will preside.

### Story of Unwritten Bond

WASHINGTON—National Surety is understood to have been approached on the question of writing surety bond in connection with fines of \$10,000 and

\$3½ million, respectively, recently imposed upon John L. Lewis and United Mine Workers for contempt of court in the soft coal miners' strike. However, surety representatives say there was not time enough available—only about 24 hours—for writing the bond and arranging coinsurance.

When National Surety could not take up the offer to furnish bond within the time available, Lewis and UMWA gave bond and put up as collateral \$10,000 cash and \$3½ million in government bonds, respectively.

The federal government, surety people say, charges 1% of the amount of

collateral deposited, for safe keeping, which amounts to \$35,000 on the union's collateral. The union thus lost \$10,000 representing the difference between that sum and the \$20,000 which a surety company would have charged for writing the \$3½ million bond.

### Shelby Mutual to Hold Field Roundup Next Week

SHELBY, O.—Shelby Mutual Casualty will hold its annual field men's meeting at the home office here through next week. Panel discussions of automo-

bile, garage, comprehensive liability, burglary, plate glass and compensation insurance are planned for Monday and Tuesday and on Wednesday the company's advertising and sales program for 1947 will be outlined.

Thursday and Friday will be devoted to private conferences with the field men and a dinner for the entire organization will be held Thursday. L. M. Dunathan, assistant secretary, is in charge of the meeting.

Write more accident business by subscribing to The Accident & Health Review, \$2 a year, 175 W. Jackson Blvd., Chicago.

This Poster is being offered to all Fire and Casualty Agents as our contribution to the welfare of the American Agency System.



Ever since the first agent for a capital stock insurance company opened an office, our profession has, in effect, been dealing with the public on a retail store basis. Those who wished to purchase insurance were welcome to drop in—look over the goods offered by means of consultation with the agent—and buy or not, just as they pleased.

That first office or retail store has been multiplied by many thousands until today every city, every hamlet and every community has one or more over-the-counter outlets for the sale of stock fire and casualty insurance.

We believe it is time that your policyholders, prospects, friends, neighbors and fellow citizens be told that you are a retail merchant conducting a department store of insurance—that your store is run by friends and neighbors.

Our DEPARTMENT STORE POSTER is designed to help you tell this story.

**Glens Falls**  
INSURANCE COMPANY  
Glens Falls, N. Y.

**Glens Falls**  
INDEMNITY COMPANY  
of Glens Falls, New York

**COMMERCE**  
Insurance Company  
GLENS FALLS, NEW YORK

Date.....  
GLENS FALLS INSURANCE COMPANY  
GLENS FALLS INDEMNITY COMPANY  
COMMERCE INSURANCE COMPANY  
Glens Falls, New York.

Please send this agency a copy of your DEPARTMENT STORE POSTER. I understand that it is free and that this request places me under no obligation.

Name.....  
No. and Street.....  
City and State..... 1

## EDITORIAL COMMENT

### A Squeak from the Christmas Cards

The number of Christmas cards sent out this year surpassed all previous records. There are a few that can remember when Christmas cards were quite a rarity and one received perhaps five or six. These cards were cherished and kept on the parlor table and were shown to everyone that came into the house. Now, of course, Christmas cards are overwhelming and yet, there is a beauty and fragrance in the sentiment that they convey.

Still we find a squeak from the Christmas cards. Perhaps a man has been to a convention where he is usually called by his first name and the receiver of the Christmas card met him in that atmosphere. The man receives a Christmas card signed "From Jack and Julia." He looks on the envelope and sees that it

came from Perth Amboy, N. J. He does not recall "Jack and Julia" and declares that the only person he has met from Perth Amboy is Fred J. Cox, who is a former president of the National Assn. of Insurance Agents. The point is made that we get Christmas cards from "Jack and Julia," unidentified which, of course, causes a card to lose its essence. Another squeak is due to the fact that some person feels obliged to write a message and his signature is a bunch of pigeon tracks.

Why cannot we have a reform requiring "Jack and Julia" to identify themselves and the pigeon track scribbler to have his name printed on his card or use some other means by which we can decipher his signature and learn who he is?

### Policy in Electing Directors

The question arises often to company management as to what is the best policy to pursue in electing a director. Some companies seem to choose only those not associated with the company, and others are inclined to honor their own employees, stating that their presence on the board will give stability and that they will be an example to others by this recognition of their merit.

It would be a mistake to go to either extreme. In some ways, a company has an excellent opportunity for getting itself more widely and better known and insurance is given a brighter path by having some well balanced, unprejudiced man from the outside take a seat on the board. Many companies have found that their directors are excellent public relations men. They are able to give to their friends in other lines a glimpse of

the inside workings of the industry and can remove many prejudices. So far as getting a company better known in the business of insurance, the appointment of an outside director is preferable.

Furthermore, the outside man brings to the organization splendid ideas that he has gathered from the world of business. A company at once is stimulated and strengthened by outside talent. There may develop too much hominess where there are too many inside directors. After all a kind of a director that a company needs has to be decided by the officers and other directors when the time comes. There can be no hard and fast rule laid down, but a company should not overlook the opportunity to strengthen its position by new blood and a keen view from the outside.

### Virtue Rewarded in Auto Line

A company executive who has charge of the automobile department of his company was asked whether this class requires extra underwriting at this particular time. His reply was that so far as he is concerned he devotes his time to underwriting the agents or the locality in which the business is located. These are perilous times in automobile insurance work.

This executive said that if an agent can get a true conception of the character of business that is desired and will be approved he can at once establish his reputation as a successful underwriter. It will be found that his automobile account will soon be greatly en-

larged. The executive naturally feels that if the agent lives in the locality and is acquainted with the people that own automobiles, his judgment as to the reliability of the assured is worth while. If he is inclined to be careless and indifferent as to the character of the assured on his books, his loss ratio will soon speak for itself. An agent who does not desire at any time to try to impose on his company gains the reputation of being a first class underwriter. The agent should ask himself, if he were the company, would he take the risk.

This executive stated that in analyzing business of various agencies, especially those in some of the larger centers, it

was found that there would be a procession of claims from a particular section and if this was investigated further, it would be discovered that many of the policyholders were of the type that is inclined to be negligent and look on their insurance more as an investment than a protection. That is, in case of any sort of accident the assured would endeavor to get the last cent out of the company. Frequently it was found that parents were allowing children too young to drive a car. The agent with

a keen conscience would have knowledge of these conditions. He could dodge the people on whom he could not pin a pure food tag.

If many losses did occur and the agent gave his approval of a claim that he knew should be paid, his word would go many, many times farther than that of the agent who did not underwrite at the source. This is just another demonstration of worth of an agent who confines his operations to good people and good business.

## PERSONAL SIDE OF THE BUSINESS

### DEATHS

**Arnold Huppert** of Livingston, secretary of the Montana Assn. of Insurance Agents, who was seriously ill in a hospital at Butte, is now convalescing at his home.

**Howard S. Searle**, Crum & Forster state agent, Topeka, who has been confined to Christ's Hospital there for the past month with virus pneumonia, is greatly improved.

**W. A. Corrigan** of the Van Arsdale & Larkin agency, Wichita, who was awarded the Victor G. Henry Achievement Cup at the Christmas party of the Wichita Assn. of Insurance Agents, gained the coveted recognition for his service to the Wichita and Kansas associations as general chairman of the annual convention in Wichita in October, in addition to his successful year as president of the Wichita Board. He also served during the war as president of the Kansas Philippine Society, organized to provide comforts and necessities for the prisoners of Bataan, among whom was his older brother. The cup is awarded each year by Victor G. Henry, Kansas state national director and a two-term past president of the Kansas association, to the Wichita association member who contributes most to the association and/or the public during the year.

**Albert T. Sauer**, claims manager of the Mercantile Insurance Agency, St. Louis, is recovering from chest injuries sustained when his automobile skidded on a wet highway.

**Jack A. Reed**, Topeka, marked the completion of 25 years with Aetna Fire, Jan. 1. He was for many years state agent in Kansas and is now on a year leave of absence. He served as president of the Kansas Fire Underwriters Assn. several years ago.

**Gordon Gambill**, Chattanooga local agent, has been announced as a candidate for mayor in the election March 11.

**George E. Allen**, a former vice-president of Home, has resigned as director of RFC, effective Jan. 16, under an agreement with President Truman that he would remain in office one year, Mr. Allen says. Asked whether he would return to Home, Mr. Allen said he did not know what he would do.

**Joseph Pap**, chief underwriter of Keystone Mutual Casualty, Pittsburgh, has returned after visiting in Chicago over the holidays. He was formerly located there with Hartford Accident. He then went to Pennsylvania Casualty and has been with Keystone Mutual since last April.

The death of **Dave E. Satterfield**, executive director and general counsel of Life Insurance Assn. of America, was a shock to many in the fire-casualty business, as well as to life insurance men. He had been a member of the all-industry committee and hence was an important figure in the various deliberations concerning what to do about PL15, etc. He was but 52 years of age. He suffered a heart attack Christmas Eve at Richmond while visiting members of his family there and died three days later. Prior to joining L.I.A. two years ago, he had a distinguished career as Congressman for Virginia and in the private practice of law.

**Hugh C. Wakefield**, 57, formerly an active insurance agent at Virginia City, Mont., died at Harrison, Mont., while on a business trip. Until about 10 years ago he was cashier and manager of Southern Montana Bank. Since then he had been in the insurance business.

**James N. Wilson**, 65, Vinton, Ia., local agent, died from a heart ailment. He started in insurance in 1926 as district agent of Equitable of Iowa and in recent years had operated the Wilson & Wilson agency with his son, James L. Wilson.

**Thomas J. West**, 58, of the Williams & West agency, Union, S. C., died suddenly at his home there.

**Thomas J. Booth**, 76, former New York broker, died in Jamestown, N. Y. He was with Rhode Island and Royal and later, for 40 years, was a broker in New York City. He moved to Jamestown after his retirement three years ago.

**Charles F. Hiney**, 54, of the staff of District C of the Pacific Board, died at his home in West Los Angeles.

**Frank A. Onderdonck**, assistant secretary in the financial department of Crum & Forster, died after 30 years of service with the company. Mr. Onderdonck was a resident of Westwood, N. J.

**William B. Auda**, one of the best known agents in the state of Washington and president of W. B. Auda, Inc., of Yakima, died following an illness of nine years due to a heart attack. He was 56. The agency has been in charge of F. W. Norgard, secretary-treasurer, who is president Washington Assn. of Insurance Agents.

Mr. Auda went to Washington as a boy with his parents, became a teller

## THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

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Tel. Parkway 2140. Abner Thorp, Jr., Vice-President. George C. Roeding, Associate Manager; George E. Wohlgenuth, News Editor.  
**DALLAS 1, TEXAS**—802 Wilson Bldg., Tel. Central 5833. Fred B. Humphrey, Southwestern Manager.  
**DES MOINES 12, IOWA**—3333 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.  
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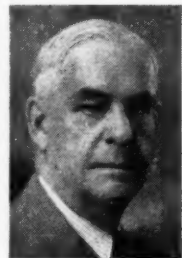
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in the old National Bank of Commerce, Yakima, and an agent for Travelers 34 years ago. Then he formed an agency partnership with A. E. Gaston, operating as Gaston & Auda; in 1927 Mr. Norgard joined the firm, and in 1932 upon Mr. Gaston's retirement the present title was adopted.

**Howard F. Waterman**, 78, retired secretary of Agricultural, died last week from injuries suffered in an automobile accident at Watertown, N. Y. Mr. Waterman joined Agricultural in 1912 as state agent for Missouri, Kansas and Oklahoma. Six years later he went to the home office as western agency superintendent and was elected assistant secretary in 1919.



H. F. Waterman

In 1924 he became agency secretary and secretary in 1934. Until his retirement in March, 1940, he had supervision of field underwriting operations in 10 middle western states for both Agricultural and Empire State. Since his retirement, Mr. Waterman acted as an adviser for the company and frequently was seen at the office.

**Nelson H. Simmonds**, former manager of Home at Syracuse for 32 years, died at Utica, N. Y., after an illness of three weeks. He retired in 1926.

**O. D. Aldrich**, Oshkosh, Neb., local agent, died there after several weeks' illness.

**Herman B. Dornberg**, who established a local agency in Minneapolis in 1911, is dead at the age of 83.

**Blake Nevius**, head of the Winona Insurance Agency, active in state association affairs and a member of the state teachers' college board, died at Winona, Minn.

**Edward C. Sweetland**, 73, vice-president and a director of George Herrmann & Co., Chicago agents, died in his home at the Georgian Hotel, Evanston.

Mr. Sweetland joined the partnership of George Herrmann and O. C. Kemp in 1900. When it was incorporated he became vice-president. He retired in 1941, but remained an officer and director until his death. He was elected to the Chicago Board in 1900.

Mr. Sweetland had been in the hospital since July, and had been home only a week before his death.

**Mrs. Nettie Goodwin**, of Uhrichsville, O., mother of Wilson S. Levens, prominent independent adjuster of Chicago, died recently at the age of 69.

**Albert C. Schneider**, veteran local agent of Kankakee, Ill., died at his home there at the age of 86. He had been a financial leader at Kankakee for 50 years. His sons William and Walter operate the agency. He had represented some of the companies in his agency for more than 50 years.

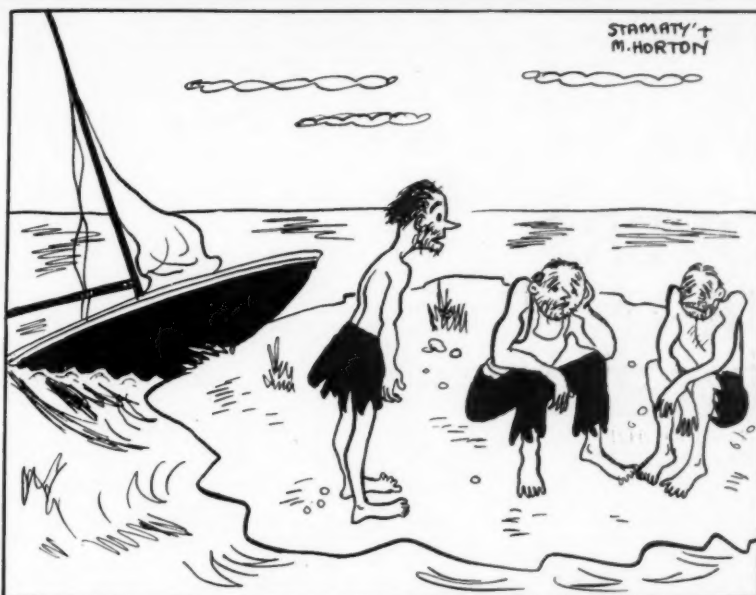
**F. H. Gibson**, superintendent of underwriting of Travelers Fire at New York, died at his home at Yonkers. He had been in that capacity with Travelers since 1926 and had been in the fire insurance business for 40 years.

**Herbert S. Chapman**, 75, an examiner for North British until his retirement 10 years ago, died at his home in Katonah, N. Y. He was with North British for 47 years.

### Federal Bureau Ideas

WASHINGTON—Recommendations concerning temporary disability insurance, employment of handicapped persons and second injury funds emerged recently from government departments here.

Secretary of Commerce Harrison issued a statement of policy regarding employment of handicapped persons, drafted by his business advisory council. It said among other things that "a handicapped person should not be refused employment in a suitable position because of apprehension that he may become the subject of a compen-



"DON'T WORRY, BOYS. THE UNDERWRITERS NEVER GIVE UP."

sation case;" also that "employers should urge the enactment of adequate second injury fund laws in the states where they do business."

The Department of Labor made public a committee report adopted by the recent national labor legislation conference held here, recommending that "The unemployment tax act be amended to permit states to withdraw funds deposited in the unemployment trust fund for use in paying benefits under state temporary disability plans as well as under present state unemployment laws" also that "Title III of the social security act be amended to permit the federal government under appropriate standards, to pay the costs of administering state temporary disability insurance laws."

### Appel District Manager

The Cooperative companies of Milwaukee—life, fire and casualty—have

appointed August W. Appel, Milwaukee, district manager for Racine, Kenosha, Waukesha, Jefferson and Wallworth counties. He started with the companies as a local agent in Milwaukee.

**Frank N. Smith**, for the last four years with the war shipping administration and before that with F.C.A.B., has opened an independent adjusting office at 107 William street, New York City.

### C. B. Jackson to National Board

Charles B. Jackson, son of President H. P. Jackson of Bankers Indemnity, has joined the National Board in the public relations division. He left Dartmouth for navy service during the war and since his return he has been with Reuel Estill Co., a public relations and fund gathering organization.

## Dineen Sends Two Aids to England to Study Insurance Regulation There

NEW YORK—A. J. Bohlinger, deputy superintendent, New York department, and Thomas Morrill, assistant to the superintendent, were scheduled to sail for England this week on the "Queen Elizabeth." They will spend a month in London conducting a study of various phases of insurance operations and their regulatory aspects.

## Grounded American Ship Insured in London Market

NEW YORK—The American freighter, Northeastern Victory, which ran aground and broke in two in Goodwin Sands at the northern entrance to the English Channel is insured entirely in the London market. The unadjusted statutory sales price set by the Maritime Commission on this type of ship is \$979,000. The ship was carrying a cargo of fruit, flour, rice, cotton, lead and sulphur for Antwerp.

### Second Recent Loss There

Salvage operations are under way. The vessels stern half is believed to have remained watertight.

This is the second recent loss of an American ship in Goodwin Sands, the freighter, Helena Modjeska, having run aground and broken up there last September. She also was insured in London.

### Hart Loss Partly Insured

NEW YORK—Sable and mink fur pieces, suits and overcoats, jewelry and silverware plus wedding and Christmas presents made up \$25,000 worth of valuables, partially insured with Fireman's Fund, stolen from the New York apartment of Moss Hart, playwright, and Kitty Carlisle, his actress wife, while they were out of town at their Bucks County, Pa. home. This is the third loss Mr. Hart has had in recent years, one of \$10,000 having taken place at the 1943 Christmas season. Part of the coverage was inland marine and part burglary insurance.

# MARSH & McLENNAN

INCORPORATED

## Insurance

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PITTSBURGH  
WASHINGTON  
BUFFALO  
PHOENIX  
PORTLAND  
LONDON

### NEW YORK

DETROIT  
MINNEAPOLIS  
ST. PAUL  
ST. LOUIS  
CLEVELAND  
COLUMBUS  
VANCOUVER  
MONTREAL  
SAN FRANCISCO  
LOS ANGELES  
SEATTLE  
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## Win Kan. Auto Rate Increase Without Court Battle

Hobbs, on Eve of Leaving Office, Gives In—Drop Suit

NEW YORK—Discontinuance of its law suit against Commissioner Hobbs of Kansas, and approval by Mr. Hobbs of a schedule of revised private passenger automobile liability insurance rates, is announced by the National Bureau of Casualty & Surety Underwriters. The revised rates become effective Jan. 6, and represent increases over existing rates amounting on the average to approximately 14% for bodily injury liability and 29% for property damage liability.

The legal proceeding was commenced Nov. 14. It sought a judicial review of a refusal by Mr. Hobbs to approve a revised schedule of bodily injury and property damage liability rates for private passenger automobiles in Kansas, filed by the National Bureau on behalf of its members and subscribers.

Mr. Hobbs leaves office Jan. 13 to be replaced by Frank Sullivan.

The insurers apparently have won a complete victory in Kansas, as the increase there is in line with that in most other states. However dropping the litigation means that the commissioner's powers under the rating law are still untested. Mr. Hobbs sat tight, contending that there was no call for any increase. He put his entire emphasis on the written and paid ratio.

## Pa. A. & H. to Begin Business Jan. 15

Pennsylvania Accident & Health Ins. Co., a stock casualty company organized and incorporated in April, 1946, and licensed in July, was introduced at the annual state convention this week of the Companion Companies of Pennsylvania.

Pennsylvania Accident & Health will start writing business Jan. 15, specializing in A. & H., hospital expense, medical and surgical reimbursement. It will assume the business of Pennsylvania Life, Health & Accident Corp. and William Penn Life, Health & Accident Benefit Corp. The latter companies are Pennsylvania beneficial societies.

### Officers Are Named

Officers of the new company will be the same as those of Pennsylvania Life and William Penn, they being: Maxwell J. Kahaner, chairman; C. Alvin Kahaner, president and director of agencies; Frank D. Niden, vice-president; Robert W. Dallas, secretary; and Jules M. Kahaner, assistant secretary-treasurer.

As of Dec. 31, 1945, Pennsylvania Life had assets of \$268,123, income was \$596,549; claims \$145,434, and insurance in force of \$406,655.

William Penn Life had assets of \$136,256; income \$244,319; claims \$84,906 and insurance in force of \$574,608.

Pennsylvania Accident & Health has purchased a home office building in downtown Philadelphia.

A. M. Monroe, former owner and operator of the Monroe Realty Co. agency and W. R. Anderson, former O.P.A. administrator for east Tennessee, have formed an agency as Monroe-Anderson Co., at Johnson City, Tenn.

## U. S. CHAMBER OF COMMERCE SURVEY:

## 40% of Employees In Industry Have Voluntary A. & H. Plan

Approximately 40% of employees in private industry (excluding agricultural) have insurance, or some other form of protection, against loss of wages due to temporary disability provided by private voluntary means, it is shown in a survey made by the insurance department of the U. S. Chamber of Commerce.

The survey was based on reports from accident and health companies writing about 94% of the accident and health insurance in force in the United States, and showed that at Dec. 31, 1945, 23,000 employers had group A. & H. policies in force for 5,928,333 employees. The average amount of protection for employees was \$17 a week, and one out of five received benefits under the policies during 1945.

No national survey has been made of employees having protection for loss of wages through wage continuance plans, employee benefit associations, etc., but surveys in some states indicate that

there are about the same number having such protection as are covered under group accident and health insurance policies. Thus at Dec. 31, 1945, about 12 million employees had protection under voluntary plans.

The Chamber of Commerce survey also showed that at the end of 1945, in addition to the group policies carried by employers, there were 8,640,000 individual A. & H. policies in force. Of these, 6,090,000 provided for weekly or monthly indemnity benefits for disability due to accident or sickness, 2,422,000 for accident only, and 128,000 for sickness only.

It was also shown that 97% of the group A. & H. policies and 91% of the individual policies, with both accident and sickness benefits, give benefits continuing during total disability for at least 13 weeks, as do substantially all of the accident only and health only policies.

### SUMMARY OF ACCIDENT & HEALTH INSURANCE OF UNITED STATES RESIDENTS, 1945

#### I. INDIVIDUAL ACCIDENT AND HEALTH POLICIES<sup>1</sup>

Kind of Policy	Policies in Force	Weekly Indemnity in Force	Weekly Indemnity Claims <sup>4</sup>
Accident Only <sup>2</sup>	2,422,287	\$64,274,613	145,817
Health Only <sup>2</sup>	127,977	3,746,001	18,761
Accident and Health Combined <sup>2</sup>	6,090,693	85,580,002	2,411,336
Specified Risk <sup>3</sup>	3,428,484	.....	.....
All Others	1,938,969	.....	.....

Approximate proportion of health-only policies where the policyholder also carries accident insurance, 59%.

Approximate proportion of policies which provide benefits continuing during total disability for at least 13 weeks: Accident only, 100%; health only, 100%; accident and health combined, 91%.

#### II. GROUP ACCIDENT AND HEALTH POLICIES PROVIDING WEEKLY INDEMNITY BENEFITS

Weekly Indemnity Group Contracts in Force	Weekly Indemnity Certificates in Force	Weekly Indemnity in Force	Weekly Indemnity Claims Paid <sup>4</sup>
23,059	5,928,333	100,830,000	1,274,451

Approximate proportion of certificates in force which provide benefits continuing during total disability for a period of at least 13 weeks—97%.

<sup>1</sup>Includes individual policyholder and members of his family. All figures as of Dec. 31, 1945.

<sup>2</sup>Policies are not included which provide only principal sum, hospital expense, medical expense, or surgical expense benefits, or policies limiting coverage to specified risks.

<sup>3</sup>Includes all limited policies, but not those which provide only hospital expense, medical expense or surgical expense benefits.

<sup>4</sup>Includes estimate of the number of claims on which first payment was made in 1945.

## Start with 15 States on Analyses of Rate Laws

A compilation of casualty and surety rate and regulatory laws of 15 states is being distributed by Assn. of Casualty & Surety Executives.

The compilation, which includes laws enacted up through 1946, consists of a series of pamphlets, one for each state. Each pamphlet includes an analysis and text of the casualty and surety regulatory law and the text or citation of other laws relating to rating, rebating and discrimination. The pamphlets are in a binder.

Laws included in the first publication are for Alabama, Connecticut, Florida, Kansas, Kentucky, Louisiana, Maryland, Mississippi, New Jersey, New York, North Carolina, South Dakota, Tennessee, Texas and Virginia. Rating and regulatory laws of the other states will be published in the future as enacted for insertion.

Initial prices of the book is \$3.50. A 2% sales tax is added for New York deliveries and a 2½% use tax for books sold in California. Copies may be obtained through Assn. of Casualty & Surety Executives, 60 John Street, New York.

## Two Big Coast Bonds

LOS ANGELES—U. S. F. & G. has executed a payment and performance

bond for the Barrett Corp. running to the Monte Bello Unified School District, covering three contracts for \$1,260,688 for construction of school buildings.

P. J. Artukovich of Los Angeles have been awarded the contract for laying and back filling several miles of pipe for the East Bay Municipal District, at their bid of \$1,952,798. Great American Indemnity has executed the payment and performance bond. Wren & Van Alen, general agents, handled the bond. Six other surety companies participated.

## Mergenthaler, Western Electric Story Reprints

Reprints are available of the Western Electric embezzlement story that appears in this issue. On the opposite side of the 9 x 11 sheet, suitable for mailing, appears the story of the Mergenthaler Linotype Co. embezzlement that appeared in the Nov. 7 National Underwriter.

Prices for quantity orders are: \$3 per 100; \$4.50 per 250; \$7 per 500 and \$10 per 1,000.

Reprints are also still available of the Mergenthaler story alone on the same size stationery at the rate of \$2 per 100; \$3.50 per 250; \$6 per 500 and \$8 per 1,000. These have proved to be popular and effective mailing pieces.

## Western Electric Bilked of \$400,000; Five Employees Held

Voucher-Padding Racket Exposed—Pattern Similar to Mergenthaler Swindle

Funds which may well exceed \$400,000 have been stolen from Western Electric through a voucher-padding racket. Five employees in charge of the company's model shop in New Jersey have been arrested. The five were engaged in awarding small job orders on an hourly basis to outside machine shops. It is charged that through collusion of these Western Electric employees and the outside shops the number of hours on orders was grossly inflated and the sub-contractors made a kick-back of \$1 for each hour of work to the men in charge of the model shop.

One shop has admitted kick-backs amounting to \$18,000 in the last six months and another \$80,000. Bail has been set for one of the men at \$50,000, the others at \$25,000 each. Western Electric holds a primary commercial blanket bond with U. S. Guarantee. The manner in which the loss was discovered has not been revealed. The thefts are thought to have been going on since 1943.

Coming on top of the \$800,000 Mergenthaler embezzlement loss, the Western Electric case is certain to arouse the most intense interest on the part of the non-financial institutions in sharply increasing the limits of their fidelity cover. The pattern was similar in both the Mergenthaler and Western Electric losses, except that in the Mergenthaler case Nickel and his accomplices engineered the payments to fictitious suppliers.

Here within a few weeks are embezzlements involving non-financial institutions totaling \$1,200,000.

## Yount to Insurance Post with United Airlines

Howard W. Yount has been appointed assistant to the insurance manager of United Airlines.

Mr. Yount is a graduate of Armour Institute in fire protection engineering and was with Illinois Inspection Bureau from 1932-36. He was an engineer and underwriter for the Warner reciprocals for three years and in 1939 became Illinois state agent for Eagle Star for three years. In 1942 Mr. Yount was a civilian fire protection engineer for the army sixth service command and for the next four years was an army air force captain in charge of fire protection engineering.

Frazier S. Wilson is insurance manager of United.

## Voris Harrisburg Head

E. O. Voris, Maryland Casualty, was elected president of the Harrisburg, Pennsylvania Claim Men's Assn. at the annual meeting. Stacy Albany, Curley Adjustment Bureau, is vice-president; Francis Powers, Pennsylvania Threshmen's & Farmers Mutual Casualty, is secretary; and Walter Otto, Pennsylvania Threshmen's & Farmers Mutual, is treasurer.

On the executive committee are W. B. Carter, U. S. F. & G.; Ray Barrett, Travelers; and Bruce Butler, Retail Credit Co. The association has 75 members in central Pennsylvania.

## Auto Line Headache Gets More Splitting

### Agents Face Daily Scramble for Market as Insurers Apply Controls

The most baffling problem for local agents today centers about automobile insurance. They are troubled about its many uncertainties. A number of agents have not been able to take care of their customers. Many companies are extremely exacting and place rules and restrictions on it that make it impossible for agents to function.

Whenever a group of insurance men get together these days, they quickly are drawn into a discussion of automobile insurance. Despite the fact that almost all companies will show a loss on this branch of the business, here and there it will be found that some are breaking even or are making a small profit.

The trouble very largely centers on collision, property damage and to some extent personal liability. Collision has been one constant nightmare. It has been impossible to get parts for older models and if they could be secured labor costs have mounted to the tree tops. In any collision of note, there is a heavy expense involved.

Some companies refuse to write any more collision insurance with \$25 deductible. They are demanding \$50 and even in some cases \$100. They abandoned entirely the 80-20 plan. Some companies would take the insurance if there was a stated value on collision. That is, the company would not be responsible above a certain sum for collision loss. The value of second hand cars run heavily upward.

#### Finance Business Taboo

Almost all companies refuse to take any more finance business. Some have a few concerns on their books where the management is very selective in granting loans.

Considerable trouble is attributable to teen age drivers. When companies analyze their losses they find that a very large proportion come from young people who are driving cars or who are riding in the cars. Many of these patronize saloons and that immediately causes the automobile loss ratio to rise. Drink causes more carelessness, heedlessness, greater speed and more chances taken. Then again, cars driven by the teen people are over crowded and often

some are standing on the running boards. When there are more new cars the situation should improve. Millions of cars in the 1930's vintage are on the road and they are chiefly the cause of the high loss.

Many agents endeavor to trade with other companies on some sort of a basis that will take care of their automobile business. Some, for instance, will agree to give the companies a good slice of their other kinds of business. Where, however, an agent's automobile business shows a continuously high loss ratio, there is great difficulty in getting coverage.

Some companies are informing their agents that they will write other automobile business but that they will have to charge a higher rate than manual. Some are insisting on doubling the premium.

One of the large casualty organizations for the past several months has had its field men in the headquarters offices, off the road, studying agents accounts with an eye specially for the automobile record. A program is being worked out for each agent on which the company will be willing to continue to handle the automobile insurance. For some agents it will mean reducing the amount of auto premiums, for others it will involve getting more of the agent's desirable business other than automobile or there may be even more drastic controls applied.

## General Motors Wins Ohio Decision

COLUMBUS — The common pleas court has held that Superintendent Dresel of Ohio exceeded his authority in denying insurance agents licenses to represent Motors to General Motors dealers. Any rule issued by the department barring any class or group of citizen from obtaining an insurance license is invalid, the court held. This is the reverse of a decision given the other day by the Tennessee appellate court finding that Commissioner McCormack was acting properly within his discretionary powers in withholding agents licenses to General Motors dealers in Tennessee.

### O.K.'s Independents' Plan

Commissioner Larson of Florida has approved the automobile statistical plan of National Assn. of Independent Insurers for the reporting and recording of experience in that state under the Florida rating law. Previously approved were the statistical plans of National Bureau of Casualty & Surety Underwriters, for the automobile third party lines and National Automobile Underwriters Assn. for the physical damage lines. Hence Mr. Larson ruled that any insurer that is not a member or subscriber of a rating organization shall use the statistical plans of the National Bureau and N.A.U.A. or the plan of the independent insurers association.

## Huch Bond Manager for Manufacturers

Herbert F. Huch has been appointed superintendent of the fidelity and surety



Herbert F. Huch

He will be assisted in his new post by Ruth E. Ernst, who for some time has been secretary to Byron Sommers, manager for Manufacturers in Chicago, and will continue those duties as well as devoting time to bond business.

Mr. Huch has been in insurance work for 20 years at Chicago, starting in the accident and health department of Continental Casualty at the home office, where he did underwriting; then being transferred to the bond department, and later transferred as bond manager to the Milwaukee agency of Gottschalk & Hargarten, representing that company.

#### Returned to Chicago

Subsequently he returned to Chicago with Commercial Casualty as assistant bond manager and after four years joined Standard Surety & Casualty there as bond manager. He remained four years, then went with Standard Accident in Chicago as assistant bond manager.

Miss Ernst has had 14 years' insurance experience in Chicago, 10 with Maryland Casualty in various capacities, then with Ocean Accident as bond underwriter and Continental Casualty's home office as secretary to the head of the bond department. Since then until joining Manufacturers she held various other insurance positions in Chicago.

### In Charge of National A. & H. Assn. Mid-Year

C. Ervin Waller, president of Professional Insurance Corp., Jacksonville, general chairman for the mid-year meeting of the National Assn. of Accident &



C. E. Waller



H. B. King

Health Underwriters next week at Miami Beach, and H. Barrett King, manager of World at Miami, president of the recently organized Florida association, are in charge of the arrangements for that convention.

### Air Nimrods Must Insure

ST. PAUL — The Minnesota conservation department is requiring all persons who hunt from airplanes in Minnesota to carry at least \$10,000 liability and \$5,000 property damage coverage.

### Aetna Life Safety Booklet

Aetna Life has published a booklet entitled "Danger in the Dark," which stresses the limitations which darkness imposes on the human eye.

## Change Title of Penn. Casualty to Combined Ins. Co.

The name of Pennsylvania Casualty, which was purchased just recently by Clement Stone of Chicago from Commercial Credit Co. is being changed to Combined Insurance Co. of America. Mr. Stone has been elected president. He is also president of Combined Mutual Casualty of Chicago, Combined Casualty of Des Moines and Combined American of Dallas.

The Pennsylvania insurer is licensed in 34 states and Mr. Stone declares that the new management intends to have it entered in all states. Eventually, the executive offices will be transferred to Chicago.

Just prior to the sale, the accident and health business of Pennsylvania Casualty was reinsured in American Health, which is another C.C.C. subsidiary. Last August all the business except A.&H. had been reinsured in Manufacturers Casualty, which is also owned by C.C.C.

Thus, the sale involved none of the insurance business. Mr. Stone and his associates acquired all the remaining assets which amounted to about \$1,600,000. Capital is \$1 million and net surplus \$600,000.

In 1946 the premium income of the three Combined companies amounted to about \$3,300,000.

### Warren Would Broaden Cal. Disability Program

SAN FRANCISCO — According to reports, Governor Warren plans to sponsor a new bill in the California legislature greatly expanding the present state compulsory unemployment disability program, under which all wage earners are covered for limited disability insurance, and which permits private companies to write the coverage, provided they offer better benefits and costs than the state fund.

The governor's new bill, it is reported, is similar to that which he sponsored in 1945 but which was defeated after becoming the most controversial question before the lawmakers. While the present law, effective Dec. 1, calls for a 1% contribution by employees, the more comprehensive measure advocated by the governor would mean higher contributions—probably as much as 3%.

### Two Chicago Transfers for American Surety

Additions to the American Surety staff at Chicago are Arthur D. Aishton, safety engineer, and Horace F. Miller, field payroll auditor.

Mr. Aishton for the past four years has been safety engineer at New York City for the company. A native of Brooklyn, and a graduate of Pratt Institute there, he had been a chemist in the textile and plastics industries before joining American Surety.

Mr. Miller, who has been with American Surety 15 years, transfers from the Buffalo office. Prior to this he was at Syracuse and New York City as field payroll auditor. He is also a Brooklyn native.

### Hartford A. & I. School

Eighteen students, including twelve agents from the field and six company employees, were awarded certificates at the completion of the final 1946 session of the home office training school of Hartford Accident. Casualty insurance and fidelity and surety bonding were subjects of study.

Since the war the Hartford training center has retrained more than 350 company employees and agents returning from service.

The first 1947 session will be Jan. 13 to Feb. 8; subsequent sessions will be Feb. 24-March 22, April 7-May 3, and May 19-June 14.

**PEERLESS**

*Casualty Company*

AN OLD NEW ENGLAND COMPANY

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KEENE, NEW HAMPSHIRE

**REINSURANCES**

**FIDELITY AND SURETY BONDS**

**SPECIALIZED LINES AND EXCESS COVERS**

**CASUALTY AND LIABILITY LINES**

-CAPITAL \$1,000,000.00



## Fire-Inland Marine Loss Principles Interpreted

(CONTINUED FROM PAGE 6)

from the bailee policy. It should always be remembered, he said, that the right of action against the bailee, by way of contract or tort for negligence, is unaffected.

Principle VIII, stating, "insurance collected by bailees on property shall take precedence over bailors' insurance except as provided in principle VII," appears clear, he said. In the past the two groups of insurers were often at odds over the question of who would pay the owner's loss where he had an inland floater and his contractors had an "in trust and on commission" clause in his fire policy. The loss having occurred on the bailee's premises and his fire policy limits being sufficiently large to satisfy coinsurance requirements, the inland floater sought the loss under the fire policy at the specific location.

A number of suits were tried out with varying results. However, one of the last cases placed the ultimate responsibility of payment on the fire policy. There were two types of "in trust" clauses, one reading in part, "held in trust or on commission or sold but not delivered" and the other added the phrase, "and for which the assured is liable." The first required no proof of liability for loss of the merchandise on the part of the bailee, whereas under the second the establishment of liability became a prime requisite.

Principle VIII now places the responsibility for the payment of the loss upon the bailee's policy, whether it be the inland bailee's policy or the "in trust" provision of the fire policy. This is working out very well in practice. The companies on both sides are accepting responsibility without question, once the facts are determined.

There are two exceptions to this rule, where there is in existence at the time of a fire a valid written agreement providing (a) that the property shall be at the risk of the bailor, or (b) that the bailor shall effect the insurance on the property.

The balance of this principle, providing for the method of adjustment of losses, is an endeavor by the insurer to give to the public the fullest possible benefit of the existing insurance.

### Procedure Outlined

First the bailee's policy is made available to pay for the bailee's own property and customer's property not otherwise insured. To effect this, the value and loss on customers' property otherwise insured are included.

Then the limit of liability under the policy is determined by including the value and loss of all property at risk. If this limit exceeds the loss on the bailee's own property and the customers' property not otherwise insured, such excess is made available to customers' property otherwise insured. Note the intent to spread the insurance as far as possible to benefit the greatest number.

Right of action for subrogation shall be waived if in conflict with the purpose of the agreement. In this respect the explanatory review points out that the inclusion of the bailee underwriter's name in any action against the bailee is contrary to the spirit of the agreement, one insurer should not jeopardize the right of another by way of subrogation. In Mr. Cunningham's opinion, there should be no waiver against the bailee where he has wilfully or wantonly disregarded the rights of others or where his negligence can be clearly established.

### Principle IX

Principle IX, providing that "bailees' customers insurance shall take precedence over other insurance effected by the same named bailee-assured," is to provide for the bailee who has two types of policies to protect his customers, an inland bailee customers' floater and an

"in trust" clause in his fire policy. As between these two policies, the inland bailee customers' floater is primary, the fire policy paying on the excess loss, if any. The policies intended are those covering property and agreements to insure it and to be liable for loss or damage by fire as distinguished from legal liability therefor imposed by law.

Commenting on general condition 3, Mr. Cunningham said that basically where this condition applies, the loss man must determine limit of liability under each policy or concurrent groups of policies and apportion the loss on those limits.

Under (a) of general condition 3, if an article is expressly scheduled and insured for \$1,000 under both policies, apportionment should be on that basis.

(b) Where a loss of \$1,000 is sustained on property insured blanket under both policies and where both would be liable for the full amount, apportionment should be on that basis.

(c) Where a loss of \$1,000 is sustained on property insured blanket but where one policy has a limit of \$250 on that specific type of property and the other no limitation, apportionment should be on that basis, that is, as 250 bears to 1,000.

Note that the applicable limit for the purpose of apportionment is the smallest amount determinable under all three—a, b, and c.

On June 3, 1946, an interpretive bulletin was issued by the National Board and the Inland Marine Underwriters Assn. dealing with general condition 3, adding the phrase, "or groups of concurrent policies." There was a question in the minds of some whether the total limits of both groups of policies should contribute. Mr. Cunningham illustrated that the limit is first determined as that of a concurrent group, and then such group shall apportion its limit among themselves.

Under general condition 4, he said that just as primary insurance excludes the value of loss on certain property for the purpose of applying coinsurance, as in principle VIII, so the excess insurance must exclude the value and loss on the property covered by the primary policy. Turnabout is fair play. If the primary coverage is to have its limit of liability increased by leaving out some values, so also must the excess policy make a similar exclusion when its turn comes to pay. This is equitable and a further indication of the desire to stretch the insurance over all the loss or as much of it as possible.

Because the agreement is a long step forward in the relations between public and companies and between the companies themselves, the agreement may call for an amendment in the future, from time to time, in keeping with changing trends. Basically, they prove a sound foundation for the adjustment of overlapping coverages and as such present a shining example of the industry's desire to keep its house in order in step with modern conditions, he said.

### Expansion Plans Stymied

WASHINGTON — Plans for expanding the staff of war assets administration insurance division under Chief Hugh Stephenson are understood to be stymied by the general administration program to cut government personnel. However, the work of the insurance division is proceeding as formerly. The division will soon publish a manual of instructions and regulations regarding insurance work for WAA for guidance of insurance officers in its regional offices.

R. H. Klapp, assistant attorney general of Ohio in charge of insurance matters, has been very ill with pneumonia at his home in Columbus, but is now improving. He attended the recent insurance meetings in New York.

## Truck Moves Bridge; Safety Council Causes Rail Wreck Puts 1946 Traffic Deaths at 34,000

NEW YORK—A Long Island Railroad locomotive and several cars overturned on a new steel and concrete highway overpass east of Medford, L. I., injuring several passengers and crew members. The wreck was attributed to damage caused by a heavy truck loaded with a bulldozer, which in trying to go under the overpass struck a girder of the bridge and moved it about a foot. The truck belonged to August Pasillico of Westbury, L. I., and was insured for bodily injury and property damage in Bankers Indemnity. There was a \$10,000 property damage limit involved, which it appears at present may be inadequate.

### Name Mass. Fourth Deputy

BOSTON—John H. Loudon, secretary of the executive council at the state house, a position which has been filled by a Negro for many years, has been appointed by Commissioner Harrington, at Governor Tobin's request, as fourth deputy commissioner, a new position that was created by the last Massachusetts legislature.

The 1946 traffic death toll for the United States will be approximately 34,000, the National Safety Council reports. This is more than 5,000 higher than the 28,600 killed last year, when wartime restrictions limited travel, but substantially below the all-time high year of 1941, when 39,969 traffic deaths occurred.

### Drive Saves 4,000

Despite the high total, the council stated that 4,000 lives were saved in 1946 by a vigorous nationwide drive against traffic accidents. If the traffic death rate the first four months of 1946 had continued throughout the year, the toll would have been approximately 38,000.

The November traffic death toll was 3,210—2% under November last year, when 3,280 were killed. The 11-month total was 30,730—22% higher than 1945, but 14% less than in 1941. The council's estimated toll of 34,000 for the entire year is based on the 11-month total and the current accident trend.

**BONDED  
BY "AMERICAN"**



The up-swing in contract bond business is well under way. Pictured is one of the many sizeable construction jobs currently bonded by "American." This scene, a new road being built in New York State, is being repeated in almost every county in the U.S. For years to come, agents who are equipped to handle contract bonds, will reap profits from this very satisfactory line.

If you're seeking a Company which can offer unusually broad bonding facilities, coupled with a willingness to render better-than-average service, you'll want to know more about "American Casualty."



**American Casualty Company**

CAPITAL \$2,000,000

Fire Affiliate: American Aviation & General Insurance Company

READING • PENNSYLVANIA

## Company Survey Shows Young Driver Big Loss Hazard

An analysis of claims over a month's period has been made by American Farmers Mutual, St. Paul, to determine which age group is causing the most accidents. The results emphasized general conclusions that drivers aged 25 or under cause an abnormally high percentage of accidents and insurance losses.

Accidents reported by age of assured in the 15-25 bracket are 13.7% of total, but accidents reported by age of the driver in the same 15-25 bracket cause 37.6% of losses in dollars. The company combined this with the report of the National Safety Council which shows that 24.7% of drivers in Minnesota are in the 15-24 age bracket.

### Krapu Comments

E. M. Krapu, underwriter of American Farmers, commenting on the report notes that the number of youthful drivers in accidents is closely related to their proportion of drivers on the road. When mileage driven is considered, the discrepancy is probably much greater.

Mr. Krapu points out that while the young driver is often involved in an accident, he is often not the insured or owner of the car. As long as auto insurance companies extend coverage to all users of the insured car, a review of the applicant is not a true reflection of the risk insured.

The study also shows that the young driver takes a high percentage of the claim dollar. The cost of settlement for the 15-25 age group is on the average twice as expensive as compared to the average of other age groups.

### Cammack Slated for Director

E. E. Cammack, vice-president and actuary of Aetna Life, has been nominated to the board of Aetna Life, Aetna Casualty and Automobile. His name will be included on proxies being sent to stockholders for action at the annual meetings in February. His nomination follows decision of W. E. A. Bulkeley not to submit his name for reelection as vice-president, auditor and director.

Mr. Cammack has been with Aetna Life since 1910 and vice-president and actuary since 1924. He subsequently became vice-president of Automobile and Standard Fire, and is a director of the latter. He has been in charge of Aetna Life's group department since 1921 and is an authority in that field.

### M. S. Reeves Retires

M. S. Reeves, Newark manager for Royal-Liverpool, retired this week from active service after having been with the group since 1919. His territory will be added to that of John J. Ward, regional manager for the fire companies in New Jersey.

## N. Y. Insurance Law Group Holds Annual Rally Jan. 23

NEW YORK—The annual meeting of the insurance law section of the New York Bar Assn. will be held at the Waldorf-Astoria here the afternoon of Jan. 23, and will be preceded by a luncheon at 12:30.

"The Last Clear Chance Doctrine," will be discussed by Archibald R. Watson, editor of the New York "Law Journal." He will analyze the decision of the New York court of appeals in Hernandez vs. Brooklyn & Queens Transit Corp.

"The Rights of Veterans Under Their Government Life Insurance Policies" is the topic of Joseph R. Evans, conservation officer at New York for veterans. "The New Impleader Practice" is the subject of Leonard S. Saxe, executive secretary of judicial council of the state of New York.

"Declaratory Judgments in Insurance Litigation" will be totaled by Prof. Edwin Borchard of Yale law school.

## Insurance Anti-Trust Law

WASHINGTON—Effort to apply the anti-trust laws to the insurance industry is suggested by the staff of the House small business committee's subcommittee on monopoly.

The report recommends that a joint Congressional committee or separate House and Senate committees be given responsibility for considering "the need for permanent legislation which will strengthen the present anti-trust laws and make all segments of the economy now exempt from the anti-trust laws subject to a unified government policy on concentration."

"Certain segments of the economy, such as labor unions (when there is no collusion with management) and insurance companies are exempt from the operation of the anti-trust laws."

The report does not recognize the fact that boycotting, coercion, intimidation, if any, in the insurance industry is not exempt from the anti-trust laws, under public law 15, however, the report continues:

"It is recommended that all segments of the economy be made subject to a unified policy designed to prevent concentration and restrictive practices."

The small business committee ceases to exist with the new year, and with it, the committee "staff," its chairman, Rep. Patman, Texas, has not arrived here for the congressional session. Committee members, including subcommittee Chairman Kefauver, Tennessee, stated that the report "does not represent conclusions of the subcommittee as a whole."

Rep. Ploeser, St. Louis insurance man and small business committee member, who has arrived here, said he had not seen the report; that it was not considered or acted upon by the committee, but was prepared and published by staff members as representing their own views.

## Hearing Jan. 6 in Wisconsin Doctor Insurance Row

In the battle between the Wisconsin State Medical Society and Milwaukee county society over the medical care insurance setup, which has now reached the courts, five officials of the county organization have been served with subpoenas calling upon them to submit to adverse examination Jan. 6.

The Milwaukee group has refused to turn over to the state society its prepaid medical care plan known as Surgical Care, despite the fact that the house of delegates of the state society in October, directed that this be done as part of a program to operate a similar organization on a statewide basis.

### Question of Commissions

The suit brought by the state society seeks to restrain the county society from continuing to operate Surgical Care except in a manner approved by the state group; it seeks to restrain Commissioner Duell from permitting the county society to sanction operation of Surgical Care by the county group; to compel the county society to cease conducting any kind of an insurance business and to liquidate Surgical Care, and demands that all assets of Surgical Care be turned over to the state society.

Questions at the discovery hearing are expected to go into the financial operations of Surgical Care, including how its books are kept, how the selling commissions are paid and how and to what extent doctors are remunerated. Also whether funds of Surgical Care are commingled with general funds of the county society.

### Call Selves Liberators

The Milwaukee society has sent a letter to all members of the state society declaring that the county's stand is part of a battle to "liberate all doctors of the state from dictatorship." According to the letter, the dictatorship radiates from the office at Madison of Charles H. Crownhart, state society secretary.

The county letter declared that the state society has spurned a move by the American Medical Assn. council on medical service to bring about an amicable settlement.

"Because of the state secretary's concept of democracy," the letter stated, apparently it is impossible to have Surgical Care settled by a conference of doctors. Instead, we must go to the courts and Milwaukee not only must pay for its defense in court, but also must pay approximately 40% of the state society's litigation costs."

## Earl Promoted in Eastern Post by Fireman's Fund

Fireman's Fund Indemnity and Western National Indemnity have appointed John L. Earl as chief underwriter in the eastern department for all casualty lines. Mr. Earl is well known in casualty circles, having started his insurance career in 1918. He has been with Fireman's Fund Indemnity since 1930 as manager of the compensation and liability department.

Stanley J. Isaksen has been named manager of the compensation and liability department for both companies in the east.

## Ohio Meeting April 11

The Ohio Assn. of Accident & Health Underwriters will hold its annual meeting in Columbus April 11.

## Standard Accident Training

The educational department of Standard Accident completed its first year with graduation of the third class. Under M. J. Pierce the department has trained 71 students, 22 home office employees, 18 branch office employees and 31 agents.

## Power Plant Manual Revised, Enlarged, But Rate Unchanged

### Form and Terminology Resemble Pre-War Rule Books

NEW YORK—The National Bureau of Casualty & Surety Underwriters has issued an entirely new boiler and machinery insurance manual, effective Jan. 1. There is no important change in rates, but the rules have been radically rearranged and a number of changes in terminology have been adopted. The new manual contains 480 pages, as compared with a total of 200 in the old manual.

There are five sections in the new manual, general rules, direct damage insurance, indirect damage coverage, description of objects and index to boiler code numbers. Each section has its own table of contents.

### Back to \$1,000 U. & O. Base

Many of the changes are in effect restorations of practices existing before the rate war of the last few years, which was settled with the adoption of the July, 1944, manual, superseded now by the new one. Use and Occupancy insurance—the casualty companies still have not adopted the term "business interruption"—is again rated in units of \$1,000 per day indemnity, abandoning the \$100 per day unit in force for a few years.

The term "expediting expense" replaces supplementary expense coverage—close to the pre-war designation of "expediting charges." Likewise, the old term "limited coverage" is revived as a substitute for standard coverage for boiler explosion. The expression "units" has been adopted to describe objects such as small refrigerating machines and air conditioners. Blanket insurance has been rechristened "blanket group plan."

## Agents License Law Bills Expected in 22 States

NEW YORK—More than 22 states will introduce new agents licensing laws or amendments to such laws during the 1947 legislative sessions, according to the first issue of the agents licensing law bulletin distributed to officials of state agents' associations by the agents' qualification committee of the National Assn. of Insurance Agents. The new service will provide complete copies of or important provisions of new bills and amendments in this field, notable sections of present licensing laws, progress of bills, quotations, references to articles on the subject, charts and trends, and comment and discussion from readers.

## Springfield Group Has New Setup in Tennessee

As a result of the resignation of State Agent A. B. Scott, the Springfield F. & M. group has given Special Agent M. P. Jones, who has been associated with Mr. Scott, supervision of all Tennessee agencies for Springfield F. & M., Sentinel and Michigan F. & M. J. V. Richards & Son, general agency of Nashville, which Mr. Scott has joined as a partner, has been given supervision of all Tennessee agencies for New England Fire. Mr. Jones' headquarters will continue to be at 1020 Nashville Trust building, Nashville. Before his service in the navy he was with the Tennessee Inspection Bureau.





# CHANGES IN CASUALTY FIELD

## Eight Figure in Manufacturers Cas. Executive Changes

Figuring in eight executive changes which have taken place in Manufacturers Casualty and Manufacturers Fire, Watson H. Caudill, secretary in charge of fidelity and surety, and George H. Garner, agency, secretary, have been promoted to vice - presidents. Benjamin F. Ferrier, Philadelphia manager, becomes vice - president in charge of casualty underwriting. Wiley E. Buntin, claims superintendent, becomes secretary and will continue the same duties. Walter Grootzinger is now counsel, replacing W. Shepherd Drewry, who resigned recently. Harry L. Harding, Newark manager, takes Mr. Ferrier's place as Philadelphia manager. Walter F. Downey, former vice-president of Pennsylvania Casualty, becomes Newark manager. H. L. Van Horn, vice-president, has been elected to the board to replace Mr. Drewry.



B. F. Ferrier

Mr. Caudill started with Southern Surety 25 years ago, worked as an underwriter with Massachusetts Bonding and served with Independence Indemnity and Constitution Indemnity. He organized the bond department of Manufacturers Casualty in 1939 and became secretary in 1943.

Mr. Garner entered insurance 23 years ago with a general agency in New Haven. He became a field man for Metropolitan Casualty and was successively manager at Richmond for Loyalty Group and assistant A. & H. agency superintendent for Continental Casualty. He supervised the midwest for Continental for all lines and then became Ohio manager for that company. He joined Manufacturers in 1943.

Mr. Ferrier started with Travelers as a field assistant, then was with Globe Indemnity as underwriter, special agent and assistant branch manager. He went with Indemnity of North America as assistant to the liability manager, transferred to Home Indemnity as casualty manager, and then spent several years at Philadelphia for New Amsterdam Casualty. In 1943, he opened the Philadelphia metropolitan department for Manufacturers.

Mr. Buntin is a lawyer with 21 years as a claims man, the last three with Manufacturers. He first managed the Minneapolis claims office for Union Indemnity, went to Detroit as assistant claims manager for that company and then was associated with Hardware Mutual Casualty for 12 years, the last 11 as head of the southern claims department at Atlanta.

Mr. Grootzinger has been in the Manufacturers legal department for four years. He is a graduate of Temple University, and was admitted to the bar in 1937.

Mr. Harding has been with Manufacturers since 1932 when he became a payroll auditor. He became Newark manager in 1941.

Mr. Downey returns to the locale where he spent 23 of his 25 years in the business. He began in the General Accident collection department at New York and was soon shifted to the underwriting section at Newark for that company, holding the position of assistant manager when he left in 1944. He then became a field assistant with Pennsylvania Casualty, becoming assistant secretary in charge of agencies in 1944, and then vice-president in the same capacity.

## Bulkeley Retires After 56 Years with Aetna Life

W. E. A. Bulkeley, who is retiring as vice-president, auditor and a director of Aetna Life in February, has been with that organization since Oct. 1, 1890. He asked that his name not be submitted for reelection at the annual meeting, his decision being prompted by considerations of health.

He is a grandson of Eliphalet Adams Bulkeley, who was the founder of the organization and W. E. A. Bulkeley's father was also auditor of Aetna Life for many years.

Mr. Bulkeley was educated at Trinity College. He started with the Aetna organization in the bond and mortgage department. Later he was transferred to the cashier's department and soon after was made cashier. In 1903 he was elected auditor of Aetna Life and in 1910 he became auditor of Aetna Accident & Liability, now Aetna Casualty. In 1914 he was named auditor as well of Automobile of Hartford and in 1929 of Standard Fire of Hartford. He was elected vice-president of Aetna Life in 1923. He is a director of Aetna Life, Aetna Casualty and Automobile.

Mr. Bulkeley is a trustee of Mechanics Savings Bank and of Trinity College. He is a director of Hartford National Bank & Trust Co., of Kellogg & Bulkeley Co., and Rourke-Eno Paper Co.

## Hitke & Co. Gets Citizens; Bartels Appointed

Citizens Casualty has appointed the Kurt Hitke & Co. agency of Chicago exclusive Indiana general agent for insuring taxicab and public vehicles such as buses, rent-a-cars and livery cars. Agents will be appointed. Special agency work in Indiana will be handled from Chicago.

Mr. Hitke has had the Illinois general agency for Citizens in these lines exclusively since 1937 and also writes other lines in that company, but not on exclusive basis.

William B. Bartels, who formerly was with Pennsylvania Casualty in Chicago until its office was closed, as assistant manager and underwriter, has gone with Hitke & Co. as underwriter. He started with Home in Chicago 12 years ago, then was with Zurich's home office as

fire and casualty underwriter and later with Commercial Standard as underwriter.

He was for three years assistant manager for Western Insurance Underwriters in Kansas City, then manager for National Insurance Management Agency in Chicago.

since 1933 in the accounting and deferred payment departments, in addition to underwriting.

## Graves Travelers Assistant Superintendent of Agencies

Travelers has promoted A. N. Graves to assistant superintendent of agencies in the casualty department.

Mr. Graves has been with Travelers since 1936. He started at Grand Rapids as a field assistant and in 1939 was transferred to Philadelphia. In 1940 he went to the home office as agency assist-

## Danby Wins Promotion

LANSING, MICH.—Orill Danby has been named assistant manager of the underwriting department of Auto Owners. He has been with the company



## What! Not Covered?

Yes, it can happen. A business man may honestly think he's covered, no matter what happens—but he can be wrong. An oversight on his part or by his agent, or a change in circumstances may result in a liability claim for which there is no coverage. But not so if he has a Trinity Universal Comprehensive Liability Policy.

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and SURETY BONDS • FIRE • INLAND MARINE

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A STOCK COMPANY

Policyholders' Dividends Current Rates:

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GARAGE LIABILITY . . . . .	12 1/2%
ALL OTHER LIABILITY . . . . .	20%
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Chicago 6, Ill.

Newark

Raymond Commerce Bldg., 1180 Raymond Blvd.  
Newark 2, N. J.

Philadelphia

Public Ledger Building  
Philadelphia 6, Pa.

ant. Mr. Graves served in the Pacific with the third marine air wing.

William C. Miller of Shillington, Pa., has been appointed field assistant at Reading.

Richard T. Washburn, field assistant, has been appointed field assistant at New Haven.

### Bacon to Home Office

P. M. Bacon, formerly of the Kansas City office of National Surety, has been transferred to the home office and is succeeded at Kansas City by John H. Dumbleton, formerly of Newark, as regional underwriter.

## WANT ADS

### CASUALTY FIELDMEN WANTED

We are interested in securing several young men for developing and service work in the State of Ohio, Indiana and Illinois. Our proposition is good providing you can produce satisfactory results. We are an aggressive Mid-Western Company with young ideas. All replies will be treated strictly confidential. Our employees know of this ad. Address J-73, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED

Branch office manager, Detroit office, of a well established company specializing in surety and fidelity bonds. Unusual opportunity for the right man. Address J-89, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

**WANTED**  
EXPERIENCED CASUALTY ADJUSTERS AND BRANCH MANAGER PROSPECTS. Give full information as to age, marital status, experience and qualifications. Also, salary required, locality preferred and references. All replies confidential. Address J-80, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED

Experienced Fidelity and Surety Bond Underwriter and Producer in Home Office at Los Angeles. State age, experience and salary expected. National Automobile & Casualty Insurance Co., 724 So. Spring Street, Los Angeles, California.

### AVAILABLE

Fidelity and casualty field representative, employed at present by large stock company. 30 years of age, family, country-wide experience, desires to become associated with agency or firm in Chicago—elsewhere if living quarters available—no extensive traveling, no investment except energy. Minimum possible earnings \$4200 per year. Address J-85, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### AVAILABLE CASUALTY MANAGER

With 24 years experience, all phases of Casualty and Surety Field and Managerial experience. Desires to locate in Chicago or adjacent territory. Age 45. Excellent reference. Address J-85, care The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### POSITION WANTED

Supervising Underwriter, 34, married, now employed by large nationally known company, desires change. Eleven years experience as Underwriter and Special Agent handling all casualty and surety lines desires position in New York or Connecticut. Address J-90, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### CASUALTY MAN

Wants to make change. 17 years experience in state of Michigan including all phases—Bureau and non-Bureau. Will consider company or agency connection. Address J-88, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## ACCIDENT AND HEALTH

### U. S. Life Is Expanding Its A. & H. Activities

NEW YORK—The A. & H. activities of U. S. Life are being expanded under the direction of Richard Rhodebeck, vice-president and director of agencies. He will continue as agency vice-president in addition to handling his new A. & H. responsibilities.

Mr. Rhodebeck has been with U. S. Life since 1935 when he was appointed a general agent. In 1939 he was appointed superintendent of agencies and in 1944 he was promoted to his present position. Two new members have been added



Warren R. Behm



J. Howard Medes

to the A. & H. staff, they being Warren R. Behm as A. & H. underwriter, and J. Howard Medes as manager of A. & H. claims.

Mr. Behm has been in the insurance business since 1929. Since 1939 he has been superintendent of the A. & H. New York metropolitan department of Phoenix Indemnity with responsibility for underwriting and production. He was an army lieutenant and received four battle stars and seven air medals, representing 245 air missions. Mr. Behm was recently elected secretary of the A. & H. Club of New York.

Mr. Medes was affiliated with the claims department of Travelers from 1929 to 1942. During the war, stationed in the southeastern service command, he handled claims against the government arising out of the operations of military and civilian personnel. Since returning from service he has been A. & H. claims manager of Ter Bush & Powell, New York. He attended Hobart College.

### Credit Life Running Mate to Be A. & H. Insurer

Guardian Indemnity, which has been licensed in Ohio with capital of \$100,000 and net surplus of \$50,000, is the companion company to Credit Life of Springfield, O. Guardian Indemnity will reinsure some of the accident and health business of Credit Life, and will also seek licenses in other states to write A. & H. on a direct basis. The home office is at 120 South Limestone street, Springfield.

Wesley T. Harrison is president; Dwight W. Hollenbeck, vice-president and treasurer; John F. Hollenbeck, vice-president and William Ultes, Jr., secretary.

Mr. Harrison is vice-president of Credit Life. He is a brother-in-law of Dwight and John Hollenbeck.

Dwight Hollenbeck is vice-president of Credit Life and John Hollenbeck is president. Mr. Ultes is attorney for Credit Life.

### Two Issue Credit Policies

American Casualty and Zurich are both issuing buyers or credit accident and health policies which provide monthly indemnity equal to the insured's monthly payments on the outstanding balance on an installment purchase. The term of the policy is the term of the loan and the premium for men and

women ages 18-64 (18-68 for Zurich) is 1½% of the outstanding balance of the loan. Both policies provide monthly indemnity for not exceeding the term of the loan, with 14 days elimination, for both accident and illness total disability, house confinement not required for illness.

### No Conference Mid-Year

The Health & Accident Underwriters Conference will not hold its usual mid-year meeting, which is ordinarily scheduled for some time in January or February. However, it will be replaced, in part at least, by a two day regional meeting Feb. 5-6 at the Hotel Schroeder, Milwaukee. This will be for all of the conference companies in the central west, and representatives of some others from outside that area may attend.

Another regional meeting may be held later in the southwest, probably in Texas, but no dates have been set as yet.

## COMPANIES

### Adds \$100,000 to Resources

Capital of Superior of Dallas has been increased from \$350,000 to \$400,000 and surplus was increased by \$50,000. This was accomplished through the sale of 5,000 shares of \$10 par value stock at \$20 per share.

### Seeks Composite Powers

Stockholders of Preferred Accident Jan. 14 will vote upon a proposed amendment to the charter to permit writing of all kinds of risks hereafter permitted to a casualty company under any present or future amendment of the New York law and the writing of cross reinsurance.

Roswell R. Walton, for 40 years head of the claims department of American Surety at Chicago, has retired. Born in Burlington, Ky., Mr. Walton attended Georgetown College in Kentucky, took his law degree at the University of Louisville and entered private practice. In 1900 he joined the claims department of National Surety at Chicago. In 1906 he went with American Surety there. He plans to devote the next six months to deep sea fishing off Texas.

M. L. Jenks, vice-president in charge of the American Surety metropolitan office at New York, has retired after 40 years with the group. Born at Boonville, N. Y., Mr. Jenks attended Hamilton College and was graduated from Columbia University. He then entered the American Surety home office. He became manager at Wilmington, Del., then manager at Minneapolis. For a short time he was with a Duluth local agency, but returned to the Minneapolis office of American Surety, was transferring to Chicago in 1912 as manager. In 1919 he was made vice-president and went to the home office.

## DEATHS

L. K. Bourke, 48, vice-president of Woodmen Accident, Woodmen Central Assurance and Woodmen Central Life, died at Lincoln. He was born in Omaha and was in insurance work there until he went to Lincoln in 1936. He was a graduate of Iowa State College. His brother, Thomas F. Bourke, is executive vice-president of United Services Life, Washington, D. C.

Miss Ida Hart, 70, one of the first women general insurance agents in New York state, died at Syracuse after a long illness. She was a general agent of U. S. F. & G.

G. Porter Houston, 61, treasurer of U.S.F.&G., died Dec. 28 at Johns Hopkins hospital, where he had been a pa-

tient for about a week. Mr. Houston joined U.S.F.&G. in 1903. In 1913 he became general auditor and was made vice-president and actuary in 1926. He succeeded W. George Hynson as treasurer in 1939.

Mr. Houston was a native of Baltimore and was educated at Baltimore City College and University of Maryland.

Vernie A. Zimmer, described by Secretary of Labor Schwellenbach as "perhaps the nation's leading expert on workmen's compensation," and who headed the Department of Labor's division of labor standards since its creation early in the new deal, died at Washington on Christmas day, aged 60. He was author of many reports and articles on compensation and other labor standards.

James W. Smith, 50, head of the Kansas City reinsurance firm bearing his name, died in that city last Sunday of a heart ailment, with which he was stricken 20 days earlier.

Mr. Smith was born in Leavenworth, Kan., and moved to Kansas City when he was a child. He began his insurance career as a collector with the O'Brien-Hobart agency in 1915 and later joined Thomas McGee. He served in the first world war during which he became the youngest infantry captain in the army at the age of 21.

In 1921, Mr. Smith joined T. H. Mastin & Co. where he organized and managed the firm's first engineering department. In 1929 he became associated with Employers Reinsurance where he handled casualty reinsurance accounts. He became vice-president of the company in 1936 and was elected a director and a member of the executive committee in 1943. He resigned Nov. 1, last to form his own firm.

George E. Meeh, 62, claim manager at Cleveland of American Automobile, died there. He had been with the Cleveland branch since 1924 and formerly was claim manager at Youngstown.



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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Renominate St. Louis Officers: Elect Jan. 21

ST. LOUIS—L. H. Trout, secretary of General Insurors, has been nominated for reelection as president of the Insurance Board of St. Louis at the annual meeting Jan. 21. Mr. Trout, who also is president of the Missouri Assn. of Insurance Agents was the unanimous choice of the nominating committee.

Also nominated for reelection are: Vice-president, Oden D. Prowell; treasurer, Paul Schroeder, and secretary, John Wightman, Jr. Nominated for three year terms on the executive committee are: Frank Altmayer, Holten Price, Jr., and John J. O'Toole. Mr. Price had been filling out the unexpired term of the late Charles H. Morrill, who died several weeks ago.

### Groebl Heads St. Louis Unit

ST. LOUIS—Albert F. Groebl was elected president for 1947 of the Associated Fire Insurance Agents & Brokers of St. Louis at the annual meeting. Vice-president is William H. Finke; treasurer, Edward A. Kamp, and secretary, Quentin P. Alt.

Jesse W. Barrett, former attorney-general of Missouri, is counsel for the association and Clarence C. Lang executive secretary.

### Form Legislative Setup

MINNEAPOLIS—Anticipating more than the usual number of insurance bills at the coming legislative session, the Minnesota Assn. of Insurance Agents is drafting all regional and local board vice-presidents to supply Armand W. Harris, legislative chairman, with proper working contacts. The association is urging all agents to assist in this setup.

### New Minneapolis Course

MINNEAPOLIS—The recent 12 weeks course in casualty insurance sponsored by the Insurance Club of Minneapolis was so successful that it will be followed up with a course in fire and marine, beginning Jan. 20 and extending 12 weeks, with Paul Olinger of Underwriters Adjusting as instructor.

The course will be limited to 30 men and women employed by club members and will be without cost to them. Fred D. Weld, secretary of Northwestern Fire & Marine, is chairman of the committee in charge.

### Kansas Program Outlined

The Newton Insurance Board was host to the Kansas association's new executive manager, Alpha H. Kenna, at a luncheon meeting. Also in attendance were Webb Woodward, Topeka, Kansas, president, and Wade Patton, Hutchinson, executive committeeman and former secretary. Mr. Kenna outlined the four major objectives of the Kansas association this year, a 25% or greater increase in membership and organization of additional local boards; a strong legislative program; educational program to include annual insurance school short course, zone meetings and local study club groups, and an enlarged public relations program.

### Back Safety Campaign

WICHITA—Full support by the Kansas Assn. Insurance Agents for the state-wide traffic safety program now being launched by Governor Schoepfel was pledged by the executive committee at a meeting there. L. B. Brown, Brown, Ginzle & Co., Wichita, safety committee chairman, met with the ex-

ecutive committee and was given the green light to proceed with an active educational campaign. A more effective drivers licensing law and drivers qualification law will probably be presented to the Kansas legislature.

Frank Sullivan, Lawrence, insurance commissioner-elect, and Frank T. Priest, Wichita, a former member of the committee, were guests.

### Chicago and Ill. Agents Discuss Rating Bills

The Chicago Assn. of Insurance Agents held a year-end luncheon Monday at the Union League Club with the executive committee of the Illinois association as guests. Chief topics of discussion were the fire and casualty rating bills in Illinois. No action was taken in the matter, but the agents expect to state their position in the next two weeks.

Emil Lederer, Stewart, Keator, Kessberger & Lederer, president of the Chicago association, presided.

### Seek to End 2% Surcharge

MINNEAPOLIS—The legislature probably will be asked to abolish the 2% surcharge on fire insurance premiums which was authorized some years ago to build up the funds of firemen's relief associations in cities of the first class, such as St. Paul, Minneapolis, Duluth, St. Cloud and Winona.

### Renew Public Insurance

Kenneth Ross, secretary of the Arkansas City (Kan.) Insurance Board has announced that the board is renewing the insurance on city properties here and that the associations at Winfield and Arkansas City are jointly renewing the Cowley county insurance.

### Kenosha Agents Elect

KENOSHA, WIS.—Leslie J. Schlax was reelected president of the Kenosha Assn. of Insurance Agents at the annual meeting and these officers named: Henry McQueen, vice-president; John L. Hogan, secretary-treasurer; F. L. Stemm and F. E. Hiard, executive board members for three years. Dividend checks were presented to members from earnings of the board resulting principally from handling public business.

### Topeka Offices Raided

The Insurance building, 701 Jackson street, Topeka, which houses the Kansas Inspection Bureau, Western Adjuster and many of the state agents' offices, was entered by breaking the rear door and each office was entered by breaking the glass panel in the door leading to the hall. Desks were pried open and files entered in all offices throughout the three floors and basement. No stamps or checks were disturbed and war bonds taken out of one desk were left on the desk. A small amount of money was taken from desks but most of the tenants do not have much cash on hand. The burglary was very similar to one at the office of R. B. Jones & Co. and Kansas City F. & M. in Kansas City, Mo.

### Will Modernize Constitution

MINNEAPOLIS—A special meeting of the Insurance Federation of Minnesota will be held here Jan. 10 to consider changes in the constitution to modernize it. The constitution has not been changed since it was adopted in 1914. A committee of five, headed by John W. Fischbach, general counsel of Minnesota Mutual Life, has drafted a revised constitution to be submitted at this meeting.

### Slate Kenna at Eldorado

The Eldorado (Kan.) Insurance Board is planning an early meeting with Alpha H. Kenna, executive manager and educational director of the Kansas association, as guest speaker.

### Meade Agency Christmas Party

The Christmas dinner party of the Meade Company agency of Topeka, in charge of President Holmes Meade, brought together 30 employees and company field men living in Topeka who call on the agency. W. A. Biby was toastmaster and presents were distributed by Lakin Meade, secretary, and Mrs. Marie Smith, who read appropriate poems with each gift.

### St. Paul Burglary Course

ST. PAUL—A course in burglary and plate glass insurance is being conducted by the Insurance Agents Assn. of St. Paul with Richard Ankeny, Aetna Casualty, as instructor.

Percy D. Worgess, prominent in Michigan association activities, was

elected president of the Battle Creek Exchange Club.

George K. Belden of the Fred L. Gray Co., Minneapolis, has been elected president of the Minneapolis Automobile Club for the 12th consecutive time.

Fred Eiche, has become manager of the Sweeney agency, Lincoln, Neb. He has been with the company for some time.

Charter Oak Fire has been added to the companies for which George D. Van Wagenen is general agent at Minneapolis.

John B. Gillespie, manager of Standard Accident at Columbus, O., spoke before the Lima-Allen County Assn. of Insurance Agents on "Fidelity Bonds."

J. O. Willson, Sterling, Kan., has taken over the Charles M. Guttery agency following the death of Mr. Guttery.

Todd Stopps, widely known in motor club organization work, has opened his own insurance agency at Indianapolis.

Nathan Ward has resumed the full-time operation of his agency at Durand, Wis., following five years with the Eau Claire office of OPA.

Mutual Auto Fire, Harleysville, Pa., has been licensed in Ohio.

## IN THE SOUTHERN STATES

### Scott Joins Richards in General Agency

Alton B. Scott has resigned as Tennessee state agent for Springfield F. & M. to become a partner in the J. Virgil Richards & Son general agency of Nashville. A new partnership has been formed consisting of Mr. Scott, J. V. Richards and J. V. Richards, Jr.

Mr. Scott has been state agent for Springfield for the past eight years. His career training was in the inspection bureau.

Mr. Scott has been in the Tennessee field since 1924, starting with the Tennessee Inspection Bureau. In 1929 he became special agent for Home and 10 years later joined Springfield. He has been a member of the executive committee of the Tennessee Fire Underwriters Assn.

No successor has been named as yet by Springfield in Tennessee.

### Dana Johnson Forms N. C. Unit Under Fretz; Takes Over Baylor's Fire Plant

E. Dana Johnson & Co., a general agency of Jacksonville, has appointed A. R. Fretz as manager of its Carolinas office at Lexington, N. C. That office was established in 1946.

Mr. Fretz attended University of Pennsylvania and Temple University. His first insurance work was in North Carolina assisting Metropolitan Casualty and U. S. F. & G. in liquidating mortgage guarantee bonds. In 1937, Mr. Fretz joined the Loyalty group and later became state agent for North Carolina. In 1941, he went with Hartford Accident, in 1944 joined Baylor's Insurance Service at Burlington, N. C., to organize its fire insurance department, and was later appointed agency supervisor of Carolina Casualty.

Just recently E. Dana Johnson & Co. took over the fire insurance department of Baylor's.

Mr. Johnson will devote much of his time in the Carolinas with Mr. Fretz, developing marine lines.

### License Plan Simplified

LITTLE ROCK—The insurance department has inaugurated a simplified

system of licensing agents which will cut down paper work of both the department and insurance companies since 20,000 license cards are issued each year, Commissioner McKenzie announced. Heretofore, the 400 companies operating in Arkansas have had to fill out three cards for each person licensed, two being filed with the department and the third sent to the agent. These cards were recorded by hand in a ledger and individual receipts issued. These operations now are eliminated, and only one ledger sheet will be sent to each company on which to list licensees. This sheet will be returned to the department and become a permanent ledger record. Only new agents hereafter will receive license cards. The department will notify other agents of renewals of their licenses.

### Bank to Sell Agency

The Petersburg Savings & American Trust Co., Petersburg, Va., has decided to dispose of the Petersburg Insurance Co. agency, which it has owned for a long time. Joseph T. Mason, president and general manager of the agency, resigned recently. Worthington Romaine, vice-president and assistant general manager, and D'Arcy Roper, secretary, are reported to be negotiating for the acquisition of the agency.

### Cut Larger Agents' Dues

Dallas agents writing annually more than \$150,000 fire and casualty premiums, received a Christmas gift from the Dallas Insurance Agents Assn. in announcement that dues for that bracket would be reduced from \$300 to \$240 annually. President George F. Cox said the larger agents carried much of the financial burden in the association's early days and directors felt adjustment could

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and should be made in that class. The association has an all-time membership of 140 firm members, representing more than 500 producers.

### Texas Directors Meet

Directors of the Texas Assn. of Insurance Agents will meet at Dallas, Jan. 10, President Will M. Keller, Palestine, announced. The rate and forms committee, of which C. T. Smelker, Beaumont,

is chairman, also will meet in Dallas that day to consider various proposals that have been made.

Gross R. Scruggs & Co., insurance managers at Dallas, held a reception on the occasion of the opening of their new offices at 402 North Good street.

Maurice Dykes, war veteran, has returned to Americus, Ga., as office manager of the Herbert Hawkins agency.

## PACIFIC COAST AND MOUNTAIN

### Free Rein Given to Cal. Legislative Unit

SAN FRANCISCO—The California Assn. of Insurance Agents has given its legislative committee, headed by H. H. Hendren, Sacramento, carte blanche in the committee's program as submitted to the association's board of directors.

This means the active support of the proposed revision of the agents' qualification law to require applicants for licenses meeting the same requirements as those for brokers. The broker's law calls for evidence of at least 50 hours of class room study. Company representatives have already expressed some disapproval of this plan because of the lack of a comprehensive mail course for such agents.

#### Other Matters Coming Up

The committee also has a free hand in other measures certain to come before the legislature which just started its 1947 session. These include rate regulation, gift insurance and revision of the standard fire form.

Accepting an invitation extended by Don Goldsmith and Harry Malm, directors decided to hold the association's convention in San Diego, Nov. 17-18.

Regional meetings will be held twice this year, the first series starting this

month. R. E. Farrer, director of education for the National Assn. of Insurance Agents, is expected to visit local associations, participating in regional meetings.

It is the policy of C. M. Putnam, president, to further develop contacts and relations between the state body and the local associations as well as between individual members and to this end regional directors will increase their activities. This is expected to aid in plans of Vice-president W. B. Glassick to increase the membership rolls by an average of 14 from each district in the state. A quota of 175 new members has been fixed as the minimum in the campaign.

Mr. Putnam also hopes to further increase the services of the association's headquarters to local groups and individual members. This service was greatly enlarged during the last two years.

A committee, consisting of C. W. Carpenter, Petaluma; Ralph E. Bach, San Diego, and Neal Harris, Oakland, has been appointed to consider the extension of the term of state national director beyond one year. President Putnam was recently elected state national director, thus being the first officer to serve in a dual capacity. He succeeded Ira D. Wheeler of Santa Monica, who resigned because of his health.

### Pacific Rating Bureau Has Started Operating

SAN FRANCISCO—The Pacific Fire Rating Bureau, created by the Pacific Board to take over its rate making department and thus divorce it entirely from this controversial service, has started operations effective Jan. 1. Present membership of both organizations consists of the same companies and officers are the same.

However, it is stated, bureau membership will not be confined to board companies only; any company may apply for membership or as a subscriber to its services, which will cover California, Nevada, Montana, Utah and Alaska.

Until suitable quarters are found for the board and other managerial details are developed, the two organizations will continue to occupy present joint quarters in the Merchants Exchange building. The bureau will be under the supervision of board executives: Samuel L. Carpenter, Jr., general manager; Harry F. Badger, executive secretary, and Walter A. Newman, assistant executive secretary.

Officers of both organizations are Frank C. Beazley, Phoenix-Connecticut group president; Clarence E. Allan, Northern Assurance, vice-president, and Paul McKown, St. Paul F. & M., chairman of the governing committee. Member companies of the board are also members of the rating bureau, which means uninterrupted service while the legislature considers new proposals along rate regulatory lines.

### W. J. Colford Goes to Coast for Wagner & Glidden

W. J. Colford, vice-president and director of Toplis & Harding and Wagner & Glidden, has been transferred to California to be associated with E. V. Bledsoe, vice-president and director, who is in charge of the Los Angeles office.

Mr. Colford has been with this adjusting organization 27 years at Chicago. He is an expert in the adjustment of inland marine and surety losses and has specialized in the handling of claims under jewelers block policies and bankers blanket bonds.

Due to the increase in business in California, it was decided that two of the officers and directors should be located at Los Angeles.

### Yocum Again Retires

SAN FRANCISCO—George Yocum, assistant manager of the Pacific department of Fidelity & Guaranty Fire, who retired several years ago and was recalled to relieve the manpower shortage during the war, is again retiring. Mr. Yocum, who has been in the fire insurance business since 1893, has been under a heavy strain during these years, as he acted as chief underwriter and office manager along with other duties.

Mr. Yocum brings to a close a long and varied career. He has been practically everything in a company office or general agency from map clerk to assistant manager and is widely known for his educational activities. For more than 20 years he has written a column for local agents in the "Underwriters Report" of San Francisco.

### Farrer to Speak at Meeting

SAN FRANCISCO—R. E. Farrer, educational director of the National Assn. of Insurance Agents, will speak here at the annual meeting of the Fire Underwriters Assn. of the Pacific, March 10-11. The meeting was postponed one week because of lack of adequate hotel facilities.

### Pick Los Angeles Slate

LOS ANGELES—The nominating committee of the Insurance Assn. of Los Angeles, headed by H. Everett Charlton, has offered this slate for the election Jan. 17: President, Robert J. White (incumbent); vice-president, Robert F. Battles (incumbent); board

members, James P. Bennett, John M. McCollum, Fred Hughes (all incumbents); Mack Eastman, Bert Lynch, Chester Turner, Charles Jacobs, J. H. Pingree, J. St. Paul White, Van Joy, Paul Sweeney, J. Dee Willcutts.

### Tacoma "Ad" Program

TACOMA—An advertising program featuring traffic safety hints has been launched by the Pierce County Assn. of Insurance Agencies. The campaign is running in the Tacoma "News Tribune." A large advertisement every month carries the names of members.

### Blanket Club Hears Donegan

SEATTLE—Tom Donegan, inland marine department of General of Seattle, will speak at the Jan. 7 meeting of the Seattle Blanket Club. The club is engaged in a membership drive and is seeking new members among the younger men in the business. The age limit has been raised to 37.

### New Portland, Ore., Agency

A new agency has been opened under the name of Fox Insurance Co., at Portland, Ore. It is associated with the Fox Realty & Accounting Service, and will be under the management of Earle Merkel, with Leigh Stetler as assistant. The agency will operate as an affiliate of the Bates, Lively & Pearson general agency.

### NEWS BRIEFS

Louis LaBow of the LaBow, Haynes Co. agency, Seattle, will speak Jan. 9 at a meeting of the Seattle Real Estate Board, on various insurance coverages, representing the public relations committee of the King County Insurance Agents Assn.

L. W. Van Aken, resident vice-president of the Kemper group in Los Angeles, has been elected president of the Wilshire Chamber of Commerce.

H. A. Truslow, president of Insurance Factors, Honolulu, and Mrs. Truslow are in California for a vacation trip with some business activities included.

Assurance of America, New York, has been licensed in California. Robert Sherrard, coast manager of Northern of New York, is general agent.

The Jones agency, Clovis, N. M., has been sold to Claude Gamble and E. V. Rushing.

## EAST

### Kuhnert Heads Federated Underwriters at Syracuse

Lester H. Kuhnert, who has been special agent in upper New York state for Central Manufacturers Mutual for the past six years, has become manager of New York's Federated Underwriters at Syracuse.

Educated at the University of Minnesota, Mr. Kuhnert spent 11 years with Hardware Mutual of Minnesota before joining Central Manufacturers. He served with Hardware Mutual at Minneapolis, Newark, and Atlanta, in accounting, sales, and underwriting capacities. His home is at Dewitt, N. Y.

### Name Conn. Committees

President David A. North of Connecticut Assn. of Insurance Agents has completed the appointment of committees.

Heading the education committee is Sage Adams of New Haven; fire and accident prevention, etc., Frederick T. O'Brien, Hartford; local boards, Dan Lanouette, Wallingford; legislative, Arthur Watson, Hartford; finance, E. S. Cowles, Jr., Hartford; rural agents, Arthur J. Carnall, Ridgefield.

The special committee that was authorized at the annual meeting to investigate the matter of agents' income consists of W. J. Dodd, Waterbury, chair-

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Hotel Stephen P. Austin	TEXAS	Jack Tar Court Hotel
Hotel Edison	TEXAS	Austin
Hotel Brownwood	TEXAS	Milam Court Hotel
Hotel Cortez	TEXAS	El Paso
Hotel Texas Fort Worth	TEXAS	Fort Worth
Hotel Roccaver	TEXAS	Galveston
Hotel Galvez	TEXAS	Galveston
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man; G. Burgess Fisher, Hartford; F. Chandler Moffatt, Westport; Harold Hatch, New Britain; Charles E. Burton, New Haven; Laurence McEwen, New London and Z. F. Cappabianca, Stamford.

## CANADIAN

### Kay, North British Veteran, Quits as Canadian Manager

TORONTO—E. J. Kay has retired as manager for Canada and Newfoundland of North British & Mercantile and as president of Occidental Fire after 48 years in the insurance business. Mr. Kay was with Commercial Union the first 13 years of his career and with



E. J. KAY

North British for the last 35 years. He has been Canadian manager for 16 years. He will continue as a director of Occidental Fire. As Canadian manager of North British Mr. Kay is being succeeded by Alfred Campbell.

Since his arrival in Canada from England in 1931 Mr. Kay has been president of the Canadian Underwriters Assn. and president of the Dominion Board. At one time he was president of the Canadian automobile theft bureau. He also had been a member of the council of the Montreal Board of Trade and the All-Canada Insurance Federation.

Mr. Campbell has been associated with his predecessor for more than 20 years having joined North British in 1920 in Nottingham, England. He came to Canada in 1934. He is a past member of the casualty executive board of the Canadian Underwriters Assn.

### Johnstone Canadian Chief

Switzerland General and Helvetia Swiss Fire have appointed A. H. Johnstone manager for Canada, effective Jan. 1. He is also Canadian manager of Baloise Fire. Switzerland General and Helvetia are consolidating operations in Canada under a single manage-



ment. Head offices of both companies are being transferred to the Baloise offices in Montreal.

### Gougeon Sudbury Head

W. C. Gougeon has been elected president of Sudbury (Ont.) Insurance Agents' Assn. Vice-president is W. Beaton and secretary is A. P. Regimbal.

### Fanning Opens Toronto Agency

John Fanning has opened a general agency in Toronto where he will handle both life and marine insurance. Six months ago he retired as assistant manager of Employers Liability Ontario branch.

### Manitoba Blue Goose Elects

Harry Shave has been elected most loyal gander of the Manitoba Blue Goose. Supervisor is R. Swaine; custodian, Fred Davies; guardian, Charles MacLeod; keeper, W. Royal; and assistant welder, A. Herriott.

### Baldwin on Institute Board

W. E. Baldwin, Continental, has been named chairman of the honorary advisory board of the Montreal Insurance Institute and William Lawrie, of Phoenix of London, has been elected vice-chairman. On the board also are D. K. MacDonald, London Assurance, and E. J. Kay, who retires Jan. 1 as Canadian manager of North British.

### Sue to Quash Mass. 1947 Compulsory Auto Rates

BOSTON—An equity action against Commissioner Harrington protesting the commissioner's recent promulgation of 1947 compulsory automobile liability insurance rates for Massachusetts, estimated to be a 6% increase over the rates for 1946, has been filed in the state supreme court by Samuel Gaffer, Boston attorney and former examiner in the Massachusetts department.

Mr. Gaffer was a conspicuous critic of the new schedule at the recent public hearing by Commissioner Harrington, attacked the methods employed by the department in arriving at the results, and maintained the companies' claim figures were excessive by \$1,008,000.

The equity bill asks the commissioner's 1947 rate order be quashed and that the court grant such other relief as it shall deem proper, the implication given in the bill seeming to indicate that a statewide flat rate is aimed at.

### Bankers Assn. Disclaims Connection with Promoter

The American Bankers Association's "Protective Bulletin" in its December edition stated that the A.B.A. has no connection whatsoever with the Indiana insurance promotions of Wesley Temple. Just the other day Temple announced that he was transferring his promotional activities to another state. He was undertaking to organize American Bankers Ins. Co. and American Bankers Life. He was designated as chairman of the organization committee of American Bankers Insured Loan Plan, Pennway building, Indianapolis.

Shares, according to the literature, were to be offered initially only to junior and senior officers and directors of banks at \$6 a unit of the capital stock of the two projected insurers.

According to the "Protective Bulletin" the literature listed 79 bank officers who were described as having been "nominated" to an advisory committee.

"Protective Bulletin" stated that all bankers should understand that A.B.A. had no knowledge of Wesley Temple prior to announcement of this plan in October and that his scheme has no connection with A.B.A. and he has no authority from the association to use the words "American Bankers" or to imply any connection with A.B.A.

A.B.A. sent out an inquiry to the "nominees." Forty replied they had no knowledge of American Bankers Insured Loan Plan and did not consent to the use of their names. Nineteen replied that they had heard something of the plan, but did not consent to use of their names. One of the "nominees" has been dead for two years.

The "Protective Bulletin" states that a press release in October quoted Temple as saying that the comptroller of the currency and 29 state banking commissioners had endorsed the plan "as filling a need for banks who have established installment loan departments."

The "Protective Bulletin" stated that it inquired at the office of comptroller of currency and discovered that no one there had any prior knowledge of the plan. The same is true of the replies thus far received from 33 state banking supervisory authorities.

Severn A. White, Sun Indemnity chief engineer, has completed 25 years in safety engineering. He studied at Johns Hopkins and from 1914 to 1919 served with the Otis Elevator Co.

He joined Maryland Shipbuilding Co. and in 1922 with Davison Chemical Co.

first became a safety engineer.

Aetna Casualty employed him from 1924 to 1927 as an elevator inspector and safety engineer. It was during this period that he became a charter member of the first Safety Engineering Club.

Globe Indemnity employed him from 1927 to 1932 as supervising safety engineer. The next two years he was with American Mutual Liability as district safety engineer. In 1933 he was engaged by the White Transportation Co. of Baltimore as director of personnel and insurance manager. 1934 to 1941 found him heading his own inspection, audit and claim service for the casualty companies.

In 1941 he joined Sun Indemnity as chief engineer. He is a member of the American Society of Mechanical Engineers and the New York University Center of Safety Activities. He has published a number of articles on accident prevention.

A. Bert Erickson and Julius Banhart have formed a partnership as the Erickson-Banhart agency at Sioux City, Ia. Erickson formerly was with the Sanborn agency and Banhart with the Stockyards agency there.



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## Consolation Prize in Mo. Decision

(CONTINUED FROM PAGE 1)

ous ratings organizations, National Board, etc., and about 90% of McKittrick's efforts were aimed at establishing violations of the anti-trust laws. The hearings continued about three years and the record ran over 30,000 pages. After the taking of testimony had been completed and while he had started to prepare his report Windsor was taken seriously ill and he ended up by writing a very brief report which he filed in November, 1945, merely saying that Mc-

Kittrick had proved everything he set out to prove. Final arguments were made before the Missouri supreme court in March, 1946, and the court had the matter under advisement until Monday of this week.

The lengthy hearings on the anti-trust issue became monotonous and aimless and it seemed obvious that McKittrick realized he wasn't getting anywhere. He then went to the U. S. Attorney General, saying that he had come to the

limit of his resources in developing a case for anti-trust law violation and urging the federal authorities to take up the cudgel. This they did in proceedings that eventuated in the S.E.U.A. decision.

There was also another minor consolation prize for the defense in the decision, that being the supreme court's vindication of the Missouri Inspection Bureau in employing Boyle G. Clark as attorney. Clark had been in state employment at various times and McKittrick charged that it was improper for him to work for the inspection bureau.

The number of insurance companies

that were fined as being guilty of bribery and fraud in connection with the rate case compromise is 122. The court found that, as charged in the ouster suit, the companies had paid \$315,000 to Pendergast, \$62,500 to O'Malley and \$82,500 to A. L. McCormack, St. Louis local agent who acted as go-between in the dealings of Street with Pendergast.

The court found also that following and resulting from these payments the 1935 compromise was effected, by which 80% of the \$12 million of impounded excess premiums was to be retained by the companies, and 20% refunded to policyholders. From their 80% the companies were to pay not only their own attorneys but also the fees for the special counsel retained by the insurance department. The companies in turn were also to waive one-half of the 16 2/3% increase in rates they put into effect in 1930.

The court in its 105-page opinion, held that the "evidence established to our complete satisfaction that Street wilfully bribed O'Malley to settle the pending litigation to prevent the recovery of 80% of the impounded funds and to approve the new schedule of insurance rates. Every essential element of the crime of bribery has been fully established by competent evidence."

It was held also that the companies had authorized Street to compromise the case, and that when Street negotiated the settlement he was acting on behalf of all of the companies. The court found that the companies made their contributions to the fund set up by Street, sending checks to him for a percentage of the money they would receive from the impounded funds. Each company, the court found, was to pay Street 5% of what it was to receive.

Other large fines included Hartford Fire \$94,000; Aetna \$43,000, Continental \$54,000, Travelers Fire and L. & L. & G. \$35,000 each.

The opinion declared that the companies "misused and abused their separate corporate franchises in this state in that each of them, through a duly authorized agent, sought to obtain and obtained a fraudulent settlement of the insurance rate litigation by fraud and the bribing of the state official charged with the duty of supervising insurance rates in this state."

Attorney General Taylor in the final argument last March suggested that each of the companies be fined \$100,000.

Homer Berger, Kansas City, the companies' chief counsel, said motion for rehearing probably will be filed.

## Cal. Opinion Upholds Bar on Writing Group Cover for Merchants Association

LOS ANGELES—Attorney General Kenny has handed down an opinion that Merchants & Manufacturers Assn. of Los Angeles is not a "trade association" within the meaning of the insurance code of California. The opinion was delivered in connection with the plan proposed by Occidental Life and Pacific Mutual Life to write group insurance on employees of members of the association.

Commissioner Garrison had ruled that M. & M. was not a "trade association" and that the group insurance could not be written under provisions of the group sections of the code.

Both the commissioner and the two insurers asked for the attorney general's ruling. In his opinion Mr. Kenny sustains the validity of Garrison's ruling and says that the term "trade association" should be construed as commonly used. His ruling makes writing of insurance under the plan not permissible.

Charles Dehart, former special agent in northern Illinois for Phoenix-Connecticut group and for the past four months in the fire and marine department of the Cleveland agency at Rock Island, has resigned that position. His plans for the future have not been announced.

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James Madison was born in Port Con-

Council; a delegate to the Continental Congress; a member of the House of Delegates; a delegate to the Philadelphia Convention; Secretary of State and chief advisor to Thomas Jefferson; and President of the United States for two terms.

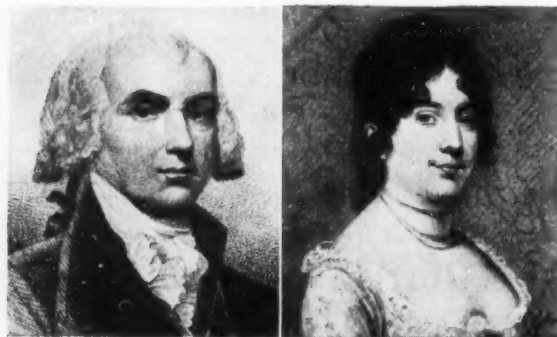
Perhaps no other statesman contributed any more constructive work to the building of our democracy than did Madison, for he was responsible for calling together and presiding at the convention which framed our precious Constitution. Had he done nothing more, his life

would have been a full one for that fact alone, but his many other important contributions during the Colonial period helped to cement the foundations of our democracy.

Upon retirement from public life Madison returned to Montpelier where he and his wife assumed their rightful

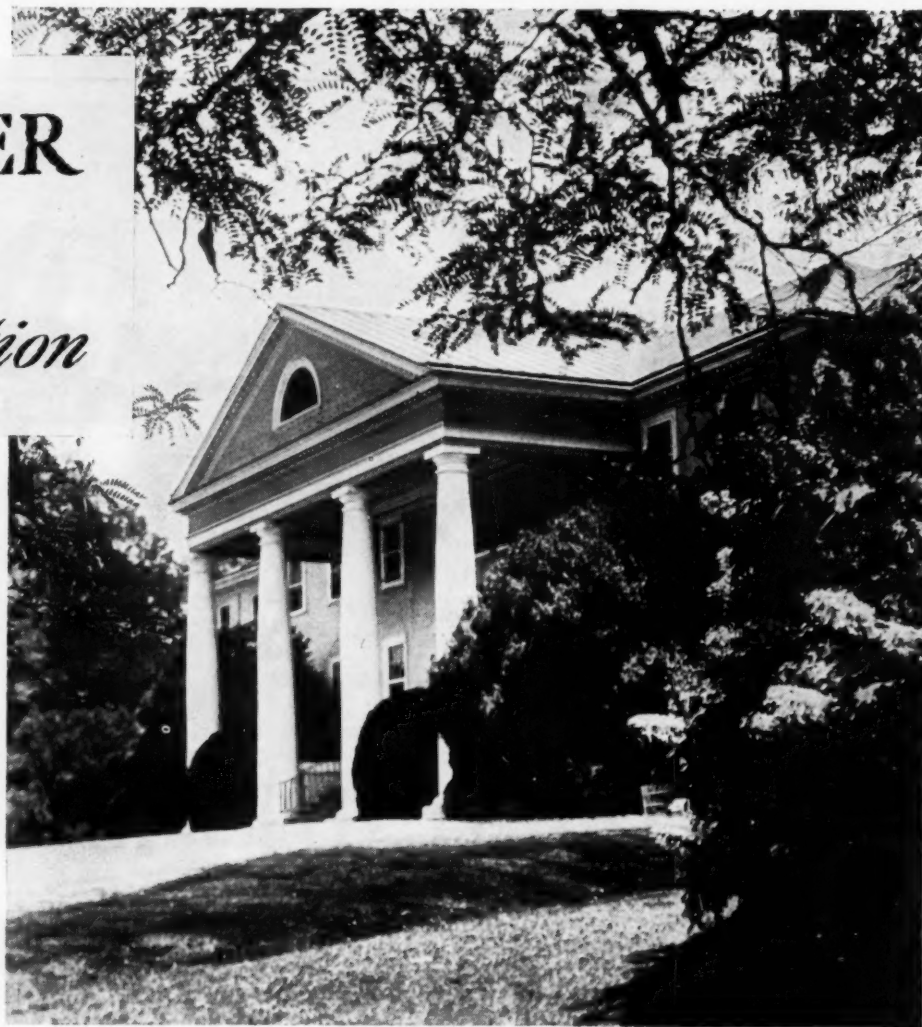
positions as master and mistress of an important plantation. Except for a few minor public services, the Father of the Constitution lived a quiet life devoted to gentleman farming. The year after his death in 1836, Dolly returned to Washington where as "the venerable Mrs. Madison" she resumed the same enviable position in society which she had held while there during her husband's and Jefferson's terms as President. As the official queen of Washington society, her reign has been unparalleled in our history for both popularity and length.

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*James and Dolly Madison*

way, Virginia and received his early education under the tutelage of the Reverend Thomas Martin. At the age of 18 he entered Princeton where he was graduated in 1771. A long and stormy political career followed, during which he served his state and country in many offices: as a member of the Virginia Convention; a member of the Governor's



*The stately portico of the plantation home*

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